COLONIAL REPORTS.—ANNUAL.

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No. 29.

HONG KONG.

ANNUAL REPORT FOR 1890.

(In continuation of Colonial Report No. 117, Old Series.)

Presented to both Houses of Parliament by Command of Her Majesty.

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1892.

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No. 29.

HONG KONG.

HONG KONG.

[In continuation of Colonial Report No. 117, Old Series.]

Major-General BARKER to LORD KNUTSFORD.

Government House, Hong Kong,
August 27, 1891.

MY LORD,

I HAVE the honour to transmit the Blue Book for the year 1890, together with the Acting Colonial Secretary's Report thereon.

2. It is satisfactory to note that the revenue for 1890 has exceeded that of any previous year.

I have, &c.
(Signed) G. DIGBY BARKER.

The Right Hon.
Lord Knutsford, G.C.M.G.
&c. &c.

REPORT on the BLUE BOOK and DEPARTMENTAL REPORTS for 1890. Laid before the Legislative Council by Command of his Excellency the Officer administering the Government on the 19th June 1891.

1.—TAXATION.

There have been no changes under this head.

2.—REVENUE AND EXPENDITURE.

The revenue amounted to $2,011,859.27, or excluding premiums from land sales to $1,995,220.47; and the expenditure amounted to $1,915,350.47, including extraordinary works, excluding these, to $1,517,843.05.

HONG KONG.

The revenue and expenditure for the past five years have been :—

Year.	Revenue.		Premia from Land.		Ordinary Expenditure.		Extraordinary Expenditure, including Defensive Works.	
	$	c.	$	c.	$	c.	$	c.
1886 - -	1,367,977	74	34,731	59	1,195,236	81	825,624	84
1887 - -	1,427,485	79	155,238	02	1,278,181	68	744,820	38
1888 - -	1,557,300	03	160,688	64	1,461,459	64	530,870	03
1889 - -	1,823,549	13	154,725	60	1,459,167	16	374,551	63
1890 - -	1,995,220	47	16,688	80	1,517,843	05	397,507	42

3.—LOCAL REVENUES.

The Chinese inhabitants contributed in 1890, by voluntary assessment among themselves, to the pay of the district watchmen $7,266.32, and received from the Government for the same object a grant-in-aid of $1,500.00.

4.—ASSETS AND LIABILITIES.

On the 31st December 1890 the assets of the Colony exceeded its liabilities by $399,732.25.

The surplus assets in :—	$	c.
1885 were - - -	427,692	42
1886 the liabilities exceeded the assets by - - -	191,512	29
1887 the surplus assets were -	631,374	08*
1888 " " " -	360,649	76
1889 " " " -	505,109	87

5.—PUBLIC DEBT.

No new loan has been raised.

Amount of present loan, 200,000*l.* Amount of sinking fund, 24,752*l.*

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* A loan of 200,000*l.* having been raised during 1887 to be paid off on the 1st of March 1907.

6.—MILITARY EXPENDITURE.

The military expenditure (inclusive of the Volunteer Corps) defrayed by the Colony during the last seven years has been as follows:—

—	Military Contribution, exclusive of Defensive Works and inclusive of Volunteer Corps.		Defensive Works.		Defensive Works.		
	$	c.	$	c.	£	s.	d.
1884	114,498	78	3,464	64	650	0	4
1885	117,337	00	68,153	45	12,576	10	2
1886	124,561	68	217,901	45	39,230	0	0
1887	128,815	63	258,444	28	43,710	7	6
1888	134,594	68	62,115	90	10,036	4	0
1889	134,261	12	63,753	73	9,678	14	5
1890	124,646	96	5,082	92	832	1	1

7.—GOVERNMENT BUILDINGS.

Government House.

Government House was maintained in good repair, and a new wing has been added.

8.—PUBLIC WORKS.

The expenditure under this head was $53,515.26 for works and buildings, $45,299.88 for upkeep of the roads, streets, and bridges; $36,861.18 for storm damages; and $5,082.92 for defensive works.

9.—LEGISLATION.

The following Ordinances were passed during the year:—

No. 1.—An Ordinance to appoint an additional member on the Sanitary Board.

No. 2.—An Ordinance for the naturalization of Lam Neungshing otherwise Lam Yuk Po.

No. 3.—An Ordinance for the incorporation of the Procureur Général, in Hong Kong, of the Society of the Missions Etrangères.

No. 4.—An Ordinance to amend "The Public Health Ordinance, 1887."

No. 5.—An Ordinance entitled "The Vaccination Ordinance, 1890."

No. 6.—An Ordinance to repeal Ordinance No. 32 of 1889 and amend Ordinance No. 14 of 1862, entitled "An "Ordinance for granting Patents for Inventions "within this Colony."

No. 7.—An Ordinance to amend the Law with reference to the Falsification of Accounts.

No. 8.—An Ordinance to amend the Hong Kong Code of Civil Procedure.

No. 9.—An Ordinance to amend Ordinance No. 4 of 1865 relating to Offences against the Person.

No. 10.—An Ordinance entitled "The Magistrates Ordinance, 1890."

No. 11.—An Ordinance entitled "The Women and Girls' Protection Ordinance, 1890."

No. 12.—An Ordinance to amend the Cattle Diseases, Slaughter-Houses, and Markets Ordinance of 1887.

No. 13.—An Ordinance to amend the Law relating to the Official Administrator.

No. 14.—An Ordinance to amend Ordinance No. 16 of 1886, entitled "The Stamp Ordinance."

No. 15.—An Ordinance entitled "The Merchandise Marks Ordinance, 1890."

No. 16.—An Ordinance entitled "The Waterworks Ordinance, 1890."

No. 17.—An Ordinance to amend Ordinance No. 15 of 1888, entitled "The Rating Ordinance, 1888."

No. 18.—An Ordinance to repeal Ordinance No. 29 of 1888, and to amend Ordinance No. 15 of 1886, entitled "The Peace Preservation Ordinance, 1886."

No. 19.—An Ordinance to amend Ordinance No. 8 of 1873, entitled "The Dangerous Goods Ordinance, 1873."

No. 20.—An Ordinance to amend "The Police Force Consolidation Ordinance, 1887."

No. 21.—An Ordinance to authorise the Appropriation of a Supplementary Sum of Three hundred and Forty-nine thousand Seven hundred and Twenty Dollars and Eighty-five Cents to defray the Charges of the Year 1889.

No. 22.—An Ordinance to amend "The Chinese Emigration Consolidation Ordinance, 1889."

No. 23.—An Ordinance to amend "The Cattle Diseases, Slaughter-Houses, and Markets Ordinance, 1887."

No. 24.—An Ordinance to amend "The Arms Ordinance 1889."

No. 25.—An Ordinance to give further Powers to Companies with respect to the Alteration of their Memoranda of Association.

No. 26.—An Ordinance to amend the Public Health Ordinance of 1887.

No. 27.—An Ordinance entitled "The Squatter's Ordinance, 1890."

No. 28.—An Ordinance to apply a sum not exceeding One Million Six hundred and Eighty-two thousand Eight hundred and Seventy-four Dollars to the Public Service of the Year 1891.

No. 29.—An Ordinance to repeal Ordinance No. 13 of 1860, for the Establishment of a Civil List.

No. 30.—An Ordinance entitled "The Widows' and Orphans' Pensions Ordinance, 1890."

10.—COUNCILS AND ASSEMBLIES.

Executive Council.—His Excellency Major-General G. Digby Barker, C.B., the Senior Military Officer, was admitted a member of the Executive Council. The Honourable W. M. Goodman joined the Council on appointment as Attorney-General. The Honourable A. Lister, Colonial Treasurer and Postmaster-General, died on the 14th July 1890.

Legislative Council.—The Honourable W. M. Goodman, Attorney-General, the Honourable Ho Kai, and the Honourable T. H. Whitehead were admitted members of the Council. The Honourable N. G. Mitchell-Innes was appointed temporarily vice the Honourable J. H. Stewart Lockhart, on leave.

Sanitary Board.—No changes were made.

Board of Examiners.—The Honourable A. Lister died on the 14th July 1890. Dr. Eitel, Inspector of Schools, and the Rev. F. E. W. Hartmann joined the Board.

11.—CIVIL ESTABLISHMENT.

Sir G. William Des Vœux was absent from the Colony, by permission, from the 19th February to 22nd December, and during such absence Mr. Francis Fleming, the Colonial Secretary, administered the Government. Honourable Alfred Lister, Colonial Treasurer and Postmaster-General, died on the 14th July.

Temporary changes occurred in various departments owing to officers going on or returning from leave.

12.—OFFICERS WHO HAVE GIVEN SECURITY FOR THE DISCHARGES OF THEIR DUTIES.

The validity of the sureties of the various officers was duly inquired into at the end of every quarter and found to be satisfactory.

13.—PENSIONS.

The following officers retired on pension during the year:—

2 turnkeys
12 Indian police constables.

Hong Kong.

14.—Expenditure of the Departments.

The amounts paid during the year on account of the departments were:—

Payments in Great Britain in sterling money, 23,068*l.* 14*s.* 5*d.*
Payments in the Colony in local currency, $846,880.84.

15.—Foreign Consuls.

No new Consulates were established in the Colony during 1890.

16.—Population.

The estimated population on the 31st December 1889 was as follows:—

Males - - - - -	138,033
Females - - - - -	56,449
Total - - - -	194,482

which is 21,318 less than the estimated population at the end of 1888.

The last census was taken in 1881, the population being then returned as 160,402, of which 115,369 were males and 45,033 females.

The following is the mean estimated population for the last nine years:—

Years.	Males.	Females.	Total.
1882 - - -	119,704	46,729	166,433
1883 - - -	124,768	48,707	173,475
1884 - - -	130,560	50,969	181,529
1885 - - -	137,079	53,515	190,594
1886 - - -	144,550	56,440	200,990
1887 - - -	152,427	60,524	212,951
1888 - - -	154,500	61,300	215,800
1889 - - -	138,033	56,449	194,482
1890 - - -	—	—	198,742

The births and deaths for the last five years were as follows:—

Years.	Births.	Deaths.	Per 1,000 of Mean Population.	
			Births.	Deaths.
1886 - - - -	1,557	5,100	7·74	25·37
1887 - - - -	1,705	5,317	8·01	24·97
1888 - - - -	1,662	6,034	7·70	27·96
1889 - - - -	1,683	4,597	8·65	23·64
1890 - - - -	1,617	4,553	8·14	22·90

17.—ECCLESIASTICAL ESTABLISHMENTS.

There were no changes in these establishments as compared with previous years.

18.—EDUCATION.

The total number of schools subject to supervision by the Government amounted in 1890 to 112, as compared with 99 in 1889 and 97 in 1888.

The total number of scholars subject to Government supervision in the Government and grant-in-aid schools during the last five years was as follows:—

Years.	Government.	Grant-in-aid.	Total.
1886 - - -	1,893	3,951	5,844
1887 - - -	1,814	4,160	5,974
1888 - - -	1,933	4,325	6,258
1889 - - -	2,293	4,814	7,107
1890 - - -	2,514	4,656	7,170

The total expenditure for these schools for the last five years was as follows:—

	$.	c.
1886, after deducting school fees -	43,085	50
1887 " " -	43,070	91
1888 " " -	45,518	93
1889 " " -	44,321	98
1890 " " -	56,081	75

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19.—EXCHANGE, MONEY, WEIGHTS AND MEASURES.

Exchange.

The rate of exchange on four months' bills on London was on 1st January 1890 3*s.* 2*d.*, it fell to 3*s.* 1½*d.* on the 19th March, and rose to 3*s.* 10¼*d.* on 4th September, and was at the end of the year 3*s.* 5⅝*d.*

Currency.

The law affecting currency has remained unchanged.

Bank Notes.

The bank notes in circulation in Hong Kong during the last five years, as furnished by the managers of the respective banks, were as follows:—

Years.	Average Amount.	Specie in Reserve.
	$	$
1886 - - - -	4,368,705	2,138,333
1887 - - - -	5,052,473	2,362,833
1888 - - - -	5,759,875	2,660,000
1889 - - - -	6,034,984	2,552,500
1890 - - - -	6,073,332	2,775,833

Money Circulation.

The approximate amount of coin put into circulation up to 31st December 1890 was as follows:—

Hong Kong silver and copper subsidiary coins (20, 10, and 5 cent pieces; and 1 cent and mil pieces) - - -	$5,599,125

Weights and Measures.

The weights and measures in use in the Colony are regulated by Ordinance 8 of 1885.

20.—IMPORTS AND EXPORTS.

There being no Custom House it is not possible to furnish an account of all imports and exports, but a record of raw opium imported and exported during 1890 has been kept, and is as follows:—

Imported - - -	62,463¼ 35/40 chests.
Exported - - -	58,023½ 12/40 "

Hong Kong

21.—Shipping.

Arrivals exclusive of Junks.

The total arrivals, exclusive of junks, during the year 1890 amounted to 4,114 vessels and 5,093,733 tons, being 575,119 tons over the arrivals in 1889.

Junks.

23,512 junks measuring 1,795,261 tons arrived in the Colony in 1890, as against 22,926 junks and 1,716,922 tons in 1889, showing an increase of 586 junks and 78,339 tons.

The total arrivals for the last five years were:—

Years.	Exclusive of Junks.		Junks.		Grand Total.	
	No. of Vessels.	Tons.	No. of Vessels.	Tons.	No. of Vessels.	Tons.
1886 -	4,251	4,571,296	22,971	1,752,868	27,222	6,324,164
1887 -	4,078	4,607,914	23,521	1,793,923	27,599	6,401,837
1888 -	3,821	4,536,442	23,958	1,863,968	27,779	6,400,410
1889 -	3,820	4,518,614	22,926	1,716,922	26,746	6,235,536
1890 -	4,114	5,093,733	23,512	1,975,261	27,626	6,688,994

Immigration and Emigration from and to Ports other than in China and Japan.

The following will show the number of Chinese who arrived in, and the number who departed from, the Colony during the last five years:—

Years.	Arrived.	Departed.
1886 - - - -	88,704	64,522
1887 - - - -	92,375	82,897
1888 - - - -	98,800	96,195
1889 - - - -	99,315	47,849
1890 - - - -	101,147	42,066

22.—Agriculture.

The lands of the Colony being limited and not favourable for agricultural purposes, there is no inducement for this industry here. The produce is quite nominal, and is for local consumption only.

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23.—MANUFACTURES, &c.

Manufactories.

No new manufactories have been added to those already in existence.

Steam Launches.

The total number of steam launches built in the Colony in 1890 was 31, with a total tonnage of 2,377.10, as against 26 with a total tonnage of 1,172.58, in 1889. The total number of licensed steam launches of all descriptions in the Colony in 1890 were :—

Licensed to carry passengers - -	47
Private launches - - - -	53
Colonial Government launches - -	10
War Department launches - - -	5
Total - - - -	115

24.—GRANTS OF LAND.

The sales of land on lease during the last five years were :—

Years.	Total No. of Sales.	Total No. of Acres sold.		
		A.	R.	P.
1886 - - - -	88	82	2	31¾
1887 - - - -	187	76	0	8
1888 - - - -	202	104	0	4½
1889 - - - -	65	88	1	15¼
1890 - - - -	6	2	3	10½

25.—GAOLS AND PRISONERS.

On the 1st January 1890 there were 549 prisoners in Victoria Gaol; 3,444 were admitted during the year, and 3,444 discharged; the total number of prisoners on the 31st of December 1890 was 549; of whom 42 were Europeans.

The daily average of prisoners was 566, as against 581 in the previous year.

The number of prisoners admitted into gaol during the last five years was as follows:—

Years.	No. of Prisoners.			Total.	Daily Average Number in Prison.
	Men.	Women.	Juveniles.		
1886 - -	4,278	173	149	4,600	674·00
1887 - -	4,012	149	147	4,308	584·00
1888 - -	3,390	98	139	3,627	531·00
1889 - -	3,453	131	121	3,705	581·00
1890 - -	3,218	119	107	3,444	566·00

26.—CRIMINAL STATISTICS.

Supreme Court.

The following is a return of cases tried at the Supreme Court during the last five years:—

Years.	Number of Cases.	Number of Persons.	Convicted.	Acquitted.	Charges abandoned.		Postponed.	
					Number of Cases.	Number of Persons.	No. of Cases.	No. of Persons.
1886 - -	75	107	59	20	16	27	1	1
1887 - -	94	155	82	36	17	26	1	8
1888 - -	101	186	99	47	28	40	—	—
1889 - -	92	143	64	41	24	37	—	—
1890 - -	59	80	43	20	7	17	—	—
Total -	421	671	347	164	92	147	2	9
Average of last 5 years	95⅘	143	94⅗	29	10⅘	18⅕	⅗	1
Average of 5 years ending 1885 -	84⅕	134⅕	69⅖	32⅘	18⅖	29⅖	⅖	1⅘

HONG KONG.

Police Magistrates' Court.

The cases before the police magistrates during the last five years were as follows:—

Years.	Total No. of Cases.	Total No. of Prisoners.	Cases how disposed of.						
			Convicted and Punished.	Discharged.	Committed for Trial.	Committed pending Orders.	Ordered to find Security.	Punished for False Testimony.	Undecided.
1886 - -	14,611	16,647	12,923	2,388	159	5	969	35	168
1887 - -	12,015	14,182	10,679	2,779	167	32	463	14	48
1888 - -	11,647	13,309	9,932	2,849	174	109	192	3	50
1889 - -	8,670	10,033	6,894	2,497	167	54	337	17	67
1890 - -	9,739	10,772	7,740	2,557	102	15	318	3	37
Total - -	56,682	64,943	48,168	13,070	769	215	2,279	72	370
Average of last 5 years - -	11,336·4	12,988·6	9,633·6	2,614·0	153·8	43·0	455·8	14·4	74·0
Average of 5 years ending 1885 -	10,153·8	11,870·2	8,851·6	2,356·6	181·8	26·6	350·0	15·4	88·2

Marine Magistrate's Court.

The cases before the Marine Magistrate's Court during the last five years were as follows:—

Years.	Number of Cases.	Number of Defendants.	Defendants how disposed of.							
			Imprisoned.	Fined.	Forfeiture of Pay.	Reprimanded.	Sent back to Duty.	To be discharged from Ship.	Dismissed.	Committed for Trial.
1886 - - -	58	87	43	24	6	2	1	—	11	—
1887 - - -	90	152	47	37	6	21	15	3	23	—
1888 - - -	70	167	66	38	2	2	53	1	5	—
1889 - - -	53	107	54	25	—	—	15	—	13	—
1890 - - -	81	239	92	84	6	1	15	—	41	—
Total -	352	752	302	208	20	26	99	4	93	—
Average of last 5 years - -	70·4	150·4	60·4	41·6	4·0	5·2	19·8	0·8	18·6	—
Average of 5 years ending 1885 -	77·6	156·2	71·6	31·0	8·2	2·6	15·8	1·8	24·8	—

Police.

The cases brought under the notice of the police during the last five years were as follows:—

Years.	Serious Offences.			Minor Offences.		
	Number of Cases.	Convicted.	Discharged.	Number of Cases.	Convicted.	Discharged.
1886 - - -	2,500	1,389	472	6,336	6,457	672
1887 - -	2,577	1,234	565	5,904	6,310	1,214
1888 - - -	2,436	1,116	556	5,678	5,772	1,105
1889 - - -	2,893	1,409	618	4,568	4,529	1,131
1890 - - -	3,100	1,412	616	5,324	5,007	1,213
Total -	13,506	6,560	2,827	27,810	28,075	5,335
Average of last 5 years - -	2,701·2	1,312·0	565·4	5,562·0	5,615·0	1,067·0
Average of 5 years ending 1885 -	2,493·2	1,313·6	514·6	5,044·0	4,105·0	886·2

27.—HOSPITALS, &c.

Civil Hospital.

The admissions to the Government Civil Hospital during the year were as follows as compared with 1889:—

——	1889.	1890.
Police - - - -	590	582
Board of Trade - - -	135	110
Private paying patients - -	402	527
Government servants - -	135	191
Police cases - - -	252	264
Destitutes - - - -	279	283
Total - - -	1,793	1,957

HONG KONG.

The total admissions to the hospital and deaths during the last five years were as follows:—

Years.	Admissions.	Deaths.
1886 - - - -	1,623	79
1887 - - - -	1,656	89
1888 - - - -	1,772	80
1889 - - - -	1,793	77
1890 - - - -	1,957	98
Total - - -	8,801	423
Average - - -	1,760·2	84·6

The admissions from the police force and the number of deaths for the past five years were as follows:—

Years.	Admissions.	Deaths.
1886 - - - -	602	14*
1887 - - - -	619	9
1888 - - - -	657	15
1889 - - - -	590	14
1890 - - - -	582	7
Total - - -	3,050	59
Average - - -	610	11·8

The admissions of Europeans were, in 1889, 166, as compared with 149 in 1890; the Chinese were 194 in 1889, as compared with 179 in 1890; and the Indians were 230 in 1889, as compared with 254 in 1890.

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* In hospital.

Military Hospital.

The admissions from among the troops during the past five years were as follows:—

Years.	Admissions.	Deaths.
1886 - - - -	1,607	9
1887 - - - -	1,749	14
1888 - - - -	1,485	21
1889 - - - -	1,732	16
1890 - - - -	1,915	15
Total - - -	8,488	75
Average - - -	1,697·6	150

Small-pox Hospital.

The admissions during the past five years were as follows:—

Years.	Admissions.
1886 - - - - -	11
1887 - - - - -	65
1888 - - - - -	99
1889 - - - - -	19
1890 - - - - -	2
Total - - - -	196
Average - - - -	39·2

Inquests.

The inquests held during the past five years were as follows:—

1886 - - - - -	120
1887 - - - - -	115
1888 - - - - -	63
1889 - - - - -	76
1890 - - - - -	101

By Ordinance 17 of 1888 the office of coroner is abolished, and the duties thereof transferred to the police magistrates.

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28.—CHARITABLE AND LITERARY INSTITUTIONS.

No fresh institution was formed.

29.—RELIGIOUS INSTITUTIONS.

No fresh institution was formed.

W. M. GOODMAN,
Acting Colonial Secretary.

Colonial Secretary's Office,
Hong Kong, 16th June 1891.

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No. 85.

HONG KONG.
1892.

HONG KONG.

[For Report for 1890 *see* Colonial Report (Annual) No. 29.]

SIR W. ROBINSON to the MARQUESS of RIPON.

Government House, Hong Kong,
June 10, 1893.

MY LORD MARQUESS,

I HAVE the honour to transmit, for Your Lordship's information, the Blue Book for 1892. The following is the Report thereon by the Acting Assistant Colonial Secretary.

REVENUE.

The revenue amounted to $2,236,933·37, an increase of $211,630·86 on that for 1891.

This increase may be explained as follows under various heads, viz. :—

Assessed Taxes, including the Water Account.—Increase $76,771. Of this some $50,000 may be set down to the energy of the Treasury in the middle of the year in the collection of arrears.

Carriage Licences.—Increase $18,100. In 1891, by an Order of the Governor in Council, the monthly fee for a jinricksha license in Victoria was raised from $3 to $6 thus bringing in a total increase of $18,000 in respect of the 500 vehicles permitted in the town.

Opium Monopoly.—Increase $18,000. The previous opium farm, let for three years up to the end of February, 1892, yielded a monthly rental of $35,800 after reduction by consent of the Government, whereas the present farm, let from 1st March, 1892, yields only $28,400 per mensem, so that the revenue from this source during the months of January and February was greater by $14,800 than what will be obtained in the two corresponding months in any year under the present contract.

But by agreement with the Government the last opium farmer was permitted to hold over till 1892 a payment of $50,000 which was due in 1891, thereby making a difference of $100,000 in a comparative statement of the revenues for these two years from this source.

Other Miscellaneous Receipts.—Increase, $15,619·30, is due to the sale of the Lazaretto on Stonecutters Island to the Military Authorities for $20,000.

Land Sales.—Increase, $70,067·37, is due to a larger sale of land than in 1891, and chiefly to a very large sale that occurred at the end of the year.

The new items and increases under the heads of Steam Launch Licenses, Discharge of Crews and Seamen, Rent of Private Moorings and Buoys, &c., are due to the provisions of the Merchant Shipping Consolidation Ordinance, No. 21 of 1891, which came into force on the 1st of January 1892.

The decrease of $21,219·84 under the head "Stamps" is due mainly to reduced speculation in stocks and shares.

From the foregoing considerations it would follow that if allowance be made for the exceptional circumstances affecting the revenue of 1891, the apparent increase of $211,630 will be reduced to a real increase of $41,630, which again is subject to discount owing to land sales having produced more than they can be normally expected to realise.

EXPENDITURE.

The expenditure of the year, including that on Public Works Extraordinary, amounted to $2,342,837·26, a decrease of $106,249 on that for 1891, which is caused generally as follows:—

The Military Contribution shows a decrease of $151,996.74 although the rate of exchange was less favourable than in 1891.

But in 1891, besides the usual annual contribution, the payment of 20,000*l.* had to be made to the Military Authorities in respect of arrears for 1890, thus the total payment in the former year was 60,000*l.* as compared with 40,000*l.* last year.

The decrease of $120,650 on Public Works Extraordinary, chiefly arises from the fact that, while $100,000 was paid as the Government contribution to the Praya Reclamation during 1891, only $10,000 was so paid in 1892. On the subject of the expenditure on this work, Your Lordship will be addressed shortly in a separate despatch.

The total decrease under these heads amounts to about $270,000, but on the other hand there were increases in the expenditure of almost every department for the following reasons:—

The payments to the Crown Agents for the debt, pensions, materials and stores, and other charges, &c., were made at a lower rate of exchange. The average rates for the two years 1891 and 1892 were 3/2⅛ and 2/9·97 respectively.

The payment in December of Salaries and other charges properly payable from votes for the year, but hitherto paid out of

HONG KONG.
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the votes for the following year, involved a disbursement of 13 monthly payments in 1892, and an apparent additional expenditure amounting to $78,190.

The excess of Revenue over Ordinary Expenditure amounted to $354,458, but if we deduct the sum of $134,800, which is shown above to have been of an exceptional and non-recurrent character, the excess is reduced to $219,659. If, further, the sum of $67,500, derived from an exceptional land sale at the close of the year be deducted, the excess becomes reduced to $152,158.

It should be observed in this connexion that the Revenue from Land Sales will have to be largely discounted in future years, for the reason that, as the Colony becomes more settled, there is less demand for Crown land and a diminished supply of land available for sale; and that the revenue derived from profits on the sale of subsidiary coins is of a most precarious nature.

The balance of assets over liabilities on the 31st December, was $35,105.87, but in the assets $300,000 is included as value of subsidiary coins in transit which it may take a considerable time to dispose of.

PUBLIC DEBT.

The debt incurred under Ordinance 11 of 1886 still stands at 200,000*l.*, while the sinking fund to be applied for its redemption has increased from 34,053*l.* to 42,758*l.* during the year.

LEGISLATION.

The following Ordinances were passed during the year:—

No. 1.—An Ordinance to give effect to the change in name and style of the Surveyor General and Surveyor General's Department.

No. 2.—An Ordinance entitled "The Patent Ordinance, 1892."

No. 3.—An Ordinance to make further provision as to the issue of Night Passes for Chinese.

No. 4.—An Ordinance to amend Ordinances No. 3 of 1860, No. 15 of 1885, and No. 17 of 1891 in relation to the power of the Governor in Council to grant certain licenses.

No. 5.—An Ordinance to amend Ordinance No. 15 of 1888, entitled "The Rating Ordinance, 1888," and Ordinance No. 16 of 1890, entitled "The Waterworks Ordinance, 1890."

No. 6.—An Ordinance to amend "The Bankruptcy Ordinance, 1891."

No. 7.—An Ordinance to amend Ordinance No. 4 of 1865, relating to Offences against the person.

No. 8.—An Ordinance to repeal Ordinance No. 19 of 1890, and to amend "The Dangerous Goods Ordinance, 1873."

No. 9.—An Ordinance to amend "The Merchant Shipping Consolidation Ordinance, 1891."

No. 10.—An Ordinance for the incorporation of the Chairman of the Committee of the Diocesan School and Orphanage.

No. 11.—An Ordinance to provide for the due performance of divine worship and other services in accordance with the rites of the Church of England at St. John's Cathedral Church at Victoria in this Colony and elsewhere, to incorporate a Church body, to vest the said Cathedral in such body and for other purposes in connexion therewith.

No. 12.—An Ordinance to apply a sum not exceeding Two millions two hundred and fifty-six thousand three hundred and seventy-five dollars to the public service of the year 1893.

No. 13.—An Ordinance to authorise the Appropriation of a Supplementary Sum of Three hundred and sixty thousand six hundred and eighty-seven dollars and thirty-seven cents to defray the charges of the year 1891.

No. 14.—An Ordinance entitled "The United Kingdom Probates Ordinance, 1892."

No. 15.—An Ordinance to repeal Section 45 of Ordinance No. 8 of 1860, and to amend Schedule A to Ordinance No. 1 of 1883.

Of these the more important were No. 2 and No. 4.

Ordinance No. 2.—The necessity for this Ordinance arose from certain difficulties in the way of granting Letters Patent, and it was thought desirable to consolidate the law at the time of amending it.

Ordinance No. 11 was rendered necessary by the abolition of the Colonial Chaplaincy, and the withdrawal of State aid from the Church of England in the Colony.

In accordance with its provisions the Cathedral Church has been handed over to trustees after being put in a thorough state of repair.

COUNCILS.

During the year Mr. G. T. M. O'Brien assumed his seat on both Councils as Colonial Secretary, Mr. F. A. Cooper's appointment to a seat on both Councils during his tenure of the office of Director of Public Works was confirmed, and Mr. R. M. Rumsey, Harbour Master, was appointed to the seat on the Legislative Council vacant by the retirement of Mr. Deane, late Captain Superintendent of Police.

In January the Legislative Council sustained a loss by the death of the Honourable . Ryrie, who had been a member for over 25 years. Mr. E. R. Belilios was appointed to fill the vacancy.

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Establishments.

Mr. G. T. M. O'Brien, C.M.G., arrived in March and assumed the duties of Colonial Secretary, relieving Mr. Goodman, the Attorney General, who had been temporarily discharging them.

Sir J. Russell, C.M.G., Chief Justice, retired on pension, and Mr. F. Clark, Puisne Judge, was promoted to the vacant office, and the Puisne Judgeship was filled by the promotion of Mr. E. J. Ackroyd, Registrar of the Supreme Court.

Mr. A. G. Wise, police magistrate, was subsequently appointed Registrar, and Mr. H. B. Lethbridge was appointed Superintendent of the Gaol. No other permanent changes of importance occurred during the year, but Mr. F. H. May performed the duties of Colonial Treasurer for six months, during the absence on leave of Mr. Mitchell-Innes.

Pensions.

The general pension list was reduced by the deaths of H. G. Thomsett, Ho Chuk Shan and Hadrian Raptis, who drew $2,728, $150, and $168 respectively; but it was increased by the addition of Sir J. Russell with a pension of $6,000, G. Rogers, $425, Mrs. Simmons, $154, J. White, $258, and Geo. Rae, $444. The increase in the Police Pension list amounted to about $600 per annum. The whole amount of the pensions paid exceeded that of the previous year by $14,635, which includes increase of loss by exchange, the figures for 1891 and 1892 being $52,541 and $67,086 respectively.

Consuls.

The following changes in the Consular body took place during 1892, viz.:—

Country.	Former Consul.	New Consul.
Spain	Mr. Ortiz	Mr. Zugasti.
Denmark	Mr. Melbye	Mr. Kramer.
Germany	Mr. Coates	Mr. Von Loeper.
Russia	Mr. Michaelsen	Mr. Jantzen.
Austria	Mr. Poesnecker	Mr. Kramer.
Belgium	Mr. Coxon	Mr. Heemskerk.
Chili	Mr. Forbes	Mr. Shewan.

Population.

The births registered during 1892 numbered 1,843 and the deaths 4,907, being at the rate of 7·96 and 21·18 per 1,000 respectively.

This excess of deaths over births is due to the character of the population, the proportion of males to females being nearly as 3 to 1.

The Registrar General estimates the population of the Colony at the end of the year at—

Males - - - - -	164,808
Females - - - - -	66,854
Total - - -	231,662

an increase of over 10,000 on the number obtained by the Census in 1891.

Of this the Chinese number 221,072, the remainder being Europeans and of other nationalities, including about 2,000 Asiatics other than Chinese.

The number of marriages celebrated under Ordinance 14 of 1875 was 75, but there is no register of marriages of Chinese contracted according to Chinese manners and customs.

Education.

The number of Government Schools decreased from 36 to 35, and the number of schools aided by Government grants increased from 74 to 87.

In the 35 Government Schools the number of scholars on the roll was 2,622 whilst in the 87 Voluntary Grant-in-Aid schools the number was 5,655. The corresponding numbers in 1891 were 2,540 and 5,132 respectively, showing a total increase of 821 scholars.

The number of girls entered at the Girls' Central School last year amounted to 139, although there were only 93 in regular attendance at the end of the year. It is hoped, however, that when the new Central School for Girls, which is being built at the expense of the Honourable E. R. Belilios, is completed, the attendance will be largely increased. At present the accommodation is too limited for even the small number attending last year. There are abundant indications that the policy of the Government in providing education for girls is greatly appreciated in the Colony.

Besides Government Schools and the schools aided by Government grants there were 99 other schools which are not under the supervision of the Education Department.

The total cost of the Education Department during the year amounted to $87,258·57, which however includes the payment for the month of December, 1891, as above explained. Of this amount Victoria College is responsible for $32.168·43 with an average daily attendance of 728 scholars, and the special grant of $5,000 to the Building Fund of the Diocesan Home and Orphanage raised the expenditure above what might be taken as the average annual expenditure.

The average expenditure per annum on each scholar at Victoria College, after deduction of fees recovered from the paying scholars, was $27·09 on the daily attendance, whilst the figures for the other schools were as follows:—

	$
Girls' School	36·95
Other Departmental Schools	8·82
Grant-in-Aid Schools	6·39

As it has been estimated that there are 20,000 children in the Colony who do not attend school, efforts are being made to increase the attendance of children of both sexes, especially among the boat people, who have not hitherto been appreciably affected by the efforts for the spread of education. An attendance officer has been appointed, and it is hoped that this will have a good effect in increasing the attendance at the various Government and State aided schools, in which no fees are charged.

Great progress has also been made in the physical training of the scholars. I was present in November last at a parade of over 500 scholars from various leading schools in the Colony, and was much impressed by the manner in which the boys showed how carefully they had been instructed. A public School Cadet Corps has also been recently formed, to which the Military Authorities have been kind enough to grant certain privileges.

SHIPPING.

There are no general statistics available for showing the trade of the Colony beyond those relating to shipping.

In 1892 the total number of vessels arrived at ports in the Colony was 36,470, with a tonnage of 7,104,888 tons, of which 4,396 were steamers, 103 sailing vessels, and 31,971 Chinese junks.

The total tonnage entered and cleared amounted to 14,152,849 as compared with 14,005,698, an increase of 147,151 tons.

Of the steamers which arrived last year 71 per cent. were British, an increase of 5 per cent. over the figures for 1891, showing that British shipping is still holding its own against its rivals.

Emigration slightly improved during the year, the numbers amounting to 52,143, being an increase of 6,981 over the previous year. The number of returned emigrants during 1892 was 97,991.

On the 1st of April, the Gap Rock Lighthouse was completed, and the light exhibited. A cable was also laid between the lighthouse and Hong Kong, which is being used to a considerable extent for the purpose of signalling the approach of vessels to the port.

The erection of a lighthouse on Waglan Island was undertaken by the Imperial Chinese Customs, and has just been completed. These lights will prove of the greatest advantage to vessels arriving from the South and North respectively, and complete the effective lighting of the approaches to Hong Kong.

The revenue collected by the Harbour Master's Department was $181,157·85, an increase of $16,485·93 over that collected in 1891.

Although no statistics taken in the Colony are available to show the trade of the port, yet it may not be out of place to mention that from the returns of the Chinese Imperial Maritime Customs, it has been ascertained that the approximate value of the trade of Hong Kong with China alone for 1891 and 1892 was 126,346,736 Haikwan taels (about 31,000,000*l.* sterling) and 128,973,819 Haikwan taels (about 31,600,000*l.* sterling) respectively, showing an increase in the latter year of 2,627,083 Haikwan taels (about 600,000*l.* sterling).

GAOLS, &c.

I am glad to be able to state that the returns from the gaol show the continuance of the decrease, in recent years, of offences, especially of the more serious order.

The total number of committals in 1892 was 5,046 as compared with 5,231 in 1891, which figures were made up as under:—

—	1892.	1891.
For debt - - - - - -	45	60
For safe custody or want of security -	302	312
For penal imprisonment - - -	4,699	4,859

thus showing a decrease under each head.

Of the total number committed for penal imprisonment there were 4,390 men, 146 women and 163 juveniles, and these committals may further be classified as follows:—

For a first offence - - -	3,724
For a second offence - - -	506
For a third offence - - -	212
For a fourth (or more) offence - -	257
Total - -	4,699

The cost of the gaol for the year was $59,771·40 (including payments for the month of December, 1891), while the profit earned by the industrial labour of the prisoners amounted to $3,122·54.

The daily average number of prisoners confined during the year was 515, and it therefore appears that (after deducting the value of their labour and making allowance for the 13 monthly payments during the year) the average cost of each prisoner to the Colony was nearly 28 cents per diem.

Among serious crimes committed in the Colony in 1892, there were three cases of murder, in one of which the accused was acquitted, and in the others no arrests were made owing to the murderers having escaped into China.

POLICE

The new Police Station at Kennedy Town was occupied by the police on the 31st December.

HOSPITALS.

During the year 1,715 cases were treated in the Civil Hospital exclusive of the cases in the temporary small-pox hospital on the Hygeia, in the lunatic asylums, and women's hospital.

The deaths in hospital amounted to 68 or 3·9 per cent. of the cases treated.

In the lunatic asylums the number admitted was 61, of which 4 died, and the number of cases in the temporary small-pox hospital and on the Hygeia was 13, of which 2 died. The women's hospital had 62 admissions during the year, of which none died.

The hospital still commands the confidence of the paying public, as is shown by the increased demand for accommodation for first class patients, while the Chinese are also beginning to perceive the advantages of the western system of medical treatment.

PUBLIC WORKS.

The following more important Public Works were completed during the years:—

Work.	Total Cost.
	$
Gap Rock Lighthouse - - - - -	189,035
Site for Western Market - - - - -	88,053
Staff quarters, Government Civil Hospital - - -	64,382
Telegraph Cable to Gap Rock - - - -	87,253

The cost of the *Fame*, $45,000, is included in the amount opposite Gap Rock Lighthouse. Efforts were made last year by Government to dispose of this vessel, but without result. It is now laid up, pending an opportunity for sale.

Besides these works considerable progress was made with the Central Market, new streets in Kennedy Town, the slaughter house and pig and sheep depôts, and the new water and sewer mains in Victoria.

The water mains are at present complete in accordance with present requirements, but some extension will be necessary in the future. The sum expended on this work is $164,023 out of an estimate of $200,000.

Besides these, numerous other minor works were either completed or advanced, the whole involving a total expenditure during the year of $460,362.

AFFORESTATION.

This work is progressing favourably, 353,663 trees having been placed in permanent positions during the year as compared with 115,081 in the previous year.

Only 2,000 trees were destroyed by fire, and extra precautions have been adopted for the purpose of preventing these fires in future; none of the firs were very much injured by the abnormal frost, but a quantity of indigenous plants, especially those above 800 feet, were killed.

The amount realised by the sale of felled trees was only $492, but the trees are still young, and it is hoped that in the course of a few years the revenue from this source may be slightly increased.

GENERAL REMARKS.

The general condition of the Colony seems at least fairly prosperous; and there is no reason to doubt that the revenue will continue to meet the ordinary expenditure if it is administered with a strict regard to economy, and no new and unforeseen charges occur, while the cost of extraordinary public works will be provided for by the new loan of 200,000*l*. which has been issued during the current year.

I have, &c.
(Signed) WILLIAM ROBINSON.

The Right Hon. the Marquess of Ripon,
Her Majesty's Principal Secretary of State
for the Colonies,
&c. &c. &c.

COLONIAL REPORTS.—ANNUAL.

No. 107.

HONG KONG.

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ANNUAL REPORT FOR 1893.

(For Report for 1892, *see* Colonial Report [Annual] No. 85.)

Presented to both Houses of Parliament by Command of Her Majesty.
26 *June* 1894.

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1894.

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The following among other Reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page:—

ANNUAL.

No.	Colony.	Year.
71	Bermuda	1892
72	Fiji	1891
73	British Honduras	”
74	Turks and Caicos Islands	1892
75	Gibraltar	”
76	Bahamas	”
77	Leeward Islands	”
78	Trinidad and Tobago	”
79	Malta	”
80	Gambia	”
81	Straits Settlements	”
82	Grenada	”
83	Barbados	”
84	St. Vincent	”
85	Hong Kong	”
86	St. Lucia	”
87	Falkland Islands	”
88	Gold Coast	”
89	Basutoland	1892–93
90	Ceylon	1892
91	Zululand	”
92	Mauritius	”
93	Labuan	”
94	British Honduras	”
95	Lagos	”
96	Sierra Leone	”
97	Fiji	”
98	Rodrigues	”
99	St. Helena	”
100	British Bechuanaland	1892–93
101	British Guiana	”
102	Newfoundland	1892
103	Jamaica	1892–93
104	Victoria	1892
105	Bermuda	1893
106	Gambia	”

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.

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HONG KONG.

[For Report for 1892 *see* Colonial Report (Annual) No. 85.]

Acting GOVERNOR O'BRIEN to the MARQUESS OF RIPON.

Government House, Hong Kong,
April 24, 1894.

MY LORD MARQUESS,

I HAVE the honour to transmit, for your Lordship's information, the Blue Book for 1893, with the following remarks thereon:—

Revenue.

The revenue for the year amounted to $2,078,135.26, a decrease of $158,798.11 as compared with 1892, which may generally be accounted for as follows:—

Assessed Taxes.—Decrease $63,928.72. Of this, $50,000 is explained by the exceptional activity displayed by the Treasury in the collection of arrears in 1892.

Opium Monopoly.—Decrease $67,100. The Farm, which had been let from March 1889 to March 1892, brought in in January and February 1892 $35,800 per mensem, while the new Farm let from the 1st March, 1892, only yields $28,400 per mensem. Again, $50,000 of the receipts in 1892 really represented revenue of 1891, the farmer having been allowed to hold over payment of that sum.

Stamps.—Decrease $9,366.64 is owing to the decrease in share transactions, mortgages, &c., and to the fact that postage stamps are now more largely used than previously for certain revenue purposes.

Other Miscellaneous Receipts.—Decrease $23,112.63. In 1892 the sale of the Lazaretto on Stonecutters' Island to the Military Authorities brought in a sum of $20,000 under this head.

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The decrease of $58,857.76 under Land Sales is owing to the fact that one exceptionally large sale took place in 1892, while the decrease of $7,956.94 under Water Account is due to the same reason as that under Assessed Taxes.

Against these decreases there are to be set off various increases, of which the more important are:—Postage $9,897.74, and leased lands $20,982.66. The increase in the latter case is largely due to the cessation of the systematic defalcations by Alves, late clerk in the Treasury.

An increased number of subsidiary coins were disposed of, giving an increase of revenue under this sub-head of over $10,000, an exceptionally large amount having been got rid of towards the close of the year.

Expenditure.

The expenditure of the year, including that on Public Works Extraordinary, amounted to $2,258,839.52, a decrease of $83,997.74 as compared with the previous year; of the former sum $338,315.96 was charged to the new loan in respect of the works for which it was raised. The causes of the decrease are generally as follows:—

In December 1892 salaries and other charges, properly payable from the votes for the year, but in former years paid out of the votes for the following year, were disbursed, involving an extra expenditure of $78,190, and the total amount spent on Public Works Extraordinary in 1893 was only $355,144·95 as compared with $460,362.77 in 1892.

Against these decreases there are to be set off increases under the heads "Pensions, Loan, and Military Contribution" in consequence of the fall in the rate of exchange and, in the case of the loan charges, in consequence also of a new loan having been raised last year.

The increase and decrease under Public Works Recurrent and Miscellaneous Services, respectively, are due to the transference of certain items from the latter head to the former.

Assets and Liabilities.

The balance of assets over liabilities on the 31st December amounted to $1,489,023.54, including the unspent balance of the last loan.

Public Debt.

The debt has been increased from £200,000 to £400,000 by the raising of a further loan of £200,000 under Ordinance 2 of 1893, for the carrying out of the Extraordinary Public Works mentioned in the schedule thereto.

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The Sinking Fund of the original loan has increased during the year from £42,758 to £51,768. Contributions to the Sinking Fund of the new debt do not commence till April 1896.

Legislation.

The following Ordinances were passed during the year:—

No. 1.—An Ordinance to declare the terms and conditions applicable to loans authorised to be raised by the Government of Hong Kong and to provide for the creation of Inscribed Stock.

No. 2.—An Ordinance for raising the sum of £200,000 by loan for the purpose of defraying the cost of certain Public Works.

No. 3.—An Ordinance to amend "The Marriage Ordinance, 1875."

No. 4.—An Ordinance to amend "The Medical Registration Ordinance 1884."

No. 5.—An Ordinance to amend "The Hong Kong Code of Civil Procedure."

No. 6.—An Ordinance to provide for the establishment of a volunteer force and to empower the Governor to raise a special force of Coast Defence Volunteers in the event of anticipated war.

No. 7.—An Ordinance to provide means for ascertaining the amounts to be paid by way of compensation in respect of the wharves and piers along the line of the Praya Reclamation, to fix the periods for the payment thereof and for other purposes in connexion therewith.

No. 8.—An Ordinance for the Naturalization of Meyer Fredericks.

No. 9.—An Ordinance to make provision for regulating the keeping of dogs and for the prevention of the importation and spread of rabies.

No. 10.—An Ordinance for the establishment and incorporation of the Chinese Society for the prevention of kidnapping and for the protection of women and children commonly known as "The Pô Léung Kuk."

No. 11.—An Ordinance for the Incorporation of the trustees of the Hong Kong and South China Masonic Benevolence Fund.

No. 12.—An Ordinance concerning statutory declarations.

No. 13.—An Ordinance for the suppression of the pernicious practice of injecting preparations of morphine by unqualified persons.

No. 14.—An Ordinance to apply a sum not exceeding two millions three hundred and forty-seven thousand, four hundred and eighty-one dollars to the public service of the year 1894.

No. 15.—An Ordinance to authorise the appropriation of a supplementary sum of two hundred and thirty-five thousand one hundred and eleven dollars and ninety-three cents to defray the charges of the year 1892.

No. 1 was passed for the purpose of enabling the Colony to raise any future loans that might be thought desirable, by Inscribed Stock, and to convert into such stock the existing loan which was raised by debentures.

No. 6 puts the Volunteer establishment on a more satisfactory footing, and enables the Government to raise a special force in the event of anticipated war.

No. 9 provides for the registration of dogs and dealing with them in cases of rabies.

No. 10 was passed to give a better status to the Pô Léung Kuk, a Chinese Society, which is of the greatest assistance to the Registrar General in dealing with cases arising under the Women and Girls' Protection Ordinance of 1890.

Councils.

Mr. A. M. Thomson was appointed on the 9th June and Mr. E. Bowdler on the 9th November to seats on both Councils during the absence from the Colony of Mr. Lockhart, Registrar General, and Mr. Cooper, Director of Public Works, respectively.

Establishments.

Mr. F. H. May was appointed to be Captain Superintendent of Police in room of Major-General Gordon, deceased.

Pensions.

The amount paid in respect of pensions was $86,706.79 as compared with $67,086.54 in 1892.

The list was reduced during the latter half of the year by the death of Sir James Russell, whose pension amounted to $6,000 per annum, and increased by pensions granted as follows:—

	$
J. A. Carvalho - - - -	2,368.00
J. M. A. Silva - - - -	2,528.00
M. Gutierrez - - - -	1,251.20
Sir Cecil C. Smith - - - -	1,916.66

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together with some smaller amounts granted to others, including police officers.

The increase in the total is also due in a great extent to the fall in exchange.

Population.

The births registered during the year numbered 1,801, and the deaths 5,422, being at the rate of 7·54 and 22·71 per 1,000 respectively. The acting Registrar General estimated the population at the end of the year at 238,724. Of these the British and foreign community number 10,686, while the Chinese amount to 228,038.

There were 84 marriages in 1893, excluding marriages according to Chinese customs.

Education.

The number of Government schools decreased from 35 to 24, while the number of schools aided by Government grants increased from 87 to 93.

The policy of the Government is to encourage the extension of the establishment of grant-in-aid schools, to take the place of such of the Government schools as are unable to command more than a week average attendance of scholars, as it is found that more satisfactory results are obtainable in the former than in the latter class of schools.

There were 2,356 scholars on the roll of Government schools and 6,250 on that of the grant-in-aid schools.

The total number of scholars, 8,606, is an increase of 329 scholars over the number for 1892.

The new Central School for Girls, built at the expense of the Honourable E. R. Belilios, C.M.G., was completed and handed over to Government in December last year. The number of girls on the roll was only 128, as compared with 139 in the preceding year; but since the opening of the new building the provision of larger accommodation has already resulted in a material increase to the number of scholars.

Besides the schools above referred to, there are over 100 in existence which are not under the supervision of the Education Department. The total cost of education for the year amounted to $78,213.59, of which Victoria (now Queen's) College is responsible for $34,426.42, with an average attendance of 683, being at the rate, after deduction of fees recovered, of about $32.30 per head.

Efforts are still being maintained to increase the attendance at various schools, and the physical training of the scholars at of the town schools is being attended to with success.

Shipping

In 1893 the total number of vessels arrived at ports in the Colony was 32,983, with a tonnage of 7,177,025 tons, of which 4,278 were steamers, 93 sailing vessels, and 28,612 Chinese junks.

The total tonnage entered and cleared amounted to 14,349,122, an increase of 196,273 over the figures for 1892.

Of the vessels of European construction or design that entered and cleared last year 6,128, with a tonnage of 7,732,195 were British, while the corresponding figures for Foreign shipping were 2,630 and 2,803,664.

British shipping thus represents over 69 per cent. of the number, and over 73 per cent of the tonnage, of all vessels of European construction

The Foreign Junk trade shows an increase of 295,931 tons, while the local Junk trade decreased by 341,365 tons, due to the temporary cessation of work on the Praya Reclamation.

The total number of Junks entered and cleared was 57,083, with a tonnage of 3,813,263 tons.

Emigration greatly revived during the year, the number of emigrants being 82,336, an increase of 30,193 over 1892. During the same period 108,644 Chinese passengers returned from various places to which they had emigrated.

An idea of the importance of Hong Kong as a trading centre may be gathered from the fact that the total arrivals of passengers during 1893 amounted to no less than 1,152,810, while during the same time the departures, including emigrants, were 1,130,744.

An attempt was made by the Harbour Master to obtain statistics of the trade of the Colony, but as there are no customs duties the figures are probably a good deal below the mark.

The ascertained amount of cargo carried by the 65,841 vessels entered and cleared was as follows:—

Discharged - - - -	3,343,602 tons.
Shipped - - - -	2,472,549 "
In transit - - - -	1,335,264 "

Gaols, &c.

The returns from the gaol show a further satisfactory decrease in the number of prisoners.

The number of committals in the last two years respectively was as follows:—

—	1893.	1892.
For debt - - - - - -	50	45
For safe custody or want of security -	234	302
For penal offences - - - - -	3,726	4,699
Total - - - - -	4,010	5,04

Of the above total for 1893 there were 3,777 men, 138 women, and 95 juveniles under 16 years of age, and the number of penal offenders may be further classified as follows:—

First conviction	2,970
Second "	378
Third "	160
Fourth (or more) conviction	218
Total	3,726

The cost of the gaol amounted to $54,748.84, and the average daily number of prisoners confined during the year was 458.

After deducting from the cost mentioned the profit on earnings by industrial labour, which amounted to $2,726.76, it appears that the average cost of each prisoner was slightly over 31 cents per diem, as compared with 28 cents in 1892.

The extension to the gaol, which is intended to facilitate the introduction of the system of separate confinement, was commenced towards the end of the year.

Of serious crimes committed in the Colony there were three cases of murder, in one of which the culprit was executed; in the second case the murderer escaped to China; and in the third one of the men engaged was sentenced to 18 years' imprisonment for manslaughter. There were also 19 cases of robbery with violence, but the statistics on the whole show a decrease of over 8 per cent. in serious crimes reported to the police.

Hospitals.

During the year 1,999 cases were treated in the Civil Hospital Lunatic Asylums, and Women's Hospital, &c. Of these, 1,835 were treated in the Civil Hospital, of whom 67 died, amounting to 3·7 per cent. In the Lunatic Asylums 40 cases were treated, of which 5 died, and 19 were cured or relieved, and in the Women's Hospital there were 63 cases, of whom none died and 60 were cured.

In the Small-pox Hospitals 61 cases resulted in the death of 8 and the cure of 49 persons during the year.

Public Works.

No extraordinary Public Work was completed in 1893, but considerable progress was made with the New Central Market, Slaughter House, Sheep and Pig Depôts, Sewerage of Victoria, and the Water Supply in Kowloon.

As regards the Praya Reclamation, in the early part of the year a proposal was made by certain of the marine lot holders that the undertaking in regard to sections on which work had not been commenced should be temporarily postponed. It was ultimately

HONG KONG.
1893.

decided to carry on the work, but the delay pending decision on the proposal prejudicially affected the amount of work executed.

The total sum spent on Public Works Extraordinary during 1893 amounted to $355,144.95, of which $338,315.96 has been charged against the new loan.

Afforestation.

This work is progressing as usual, 287,905 trees having been planted during the year.

There were unfortunately no fewer than 21 grass fires, destroying 4,000 trees, and, besides, the appearance of a caterpillar scourge was destructive to several thousands more.

The sum realised by sale of trees and plants, etc. from the gardens amounted to $1,310.

General Remarks.

The condition of the Colony is prosperous taken as a whole, but the heavy fall in exchange has seriously affected the public expenditure. The issue of the new loan gave considerable relief, enabling the more important public works to be proceeded with; but as a large proportion of the charges on the Colony have to be met by gold payments, it may prove necessary, in view of the enormous depreciation of silver, to devise methods of raising additional revenue.

The Government has been fully alive to the need of retrenchment as far as possible, consistently with the efficiency of the public service, and a Commission has been appointed to enquire into and report on the expenditure of the Colony with a view to the recommendation of such reduction as may be found feasible.

I have, &c.
(Signed) G. T. M. O'BRIEN,
Officer Administering the Government.

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Gt. Brit. Colonial office.

COLONIAL REPORTS.—ANNUAL.

No. 148.

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ANNUAL REPORT FOR 1894.

(For Report for 1893, *see* Colonial Report [Annual] No. 107.)

Presented to both Houses of Parliament by Command of Her Majesty.
February 1896.

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1896.

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COLONIAL REPORTS.

The following among other Reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained for a few pence from the sources indicated on the title page:—

ANNUAL.

No.	Colony.	Year.
113	Barbados	1893
114	Malta	"
115	Zululand	"
116	British Honduras	"
117	Trinidad and Tobago	"
118	Falkland Islands	"
119	Rodrigues	"
120	Mauritius	"
121	Straits Settlements	"
122	Labuan	"
123	Basutoland	1893–94
124	St. Lucia	1893
125	St. Helena	"
126	Ceylon	"
127	Fiji	"
128	Grenada	"
129	Sierra Leone	"
130	British Bechuanaland	1893–94
131	British New Guinea	1892–3& 1893–94
132	Lagos	1893
133	British Guiana	1893–94
134	Jamaica	"
135	Newfoundland	1893
136	Gold Coast	"
137	Zululand	1894
138	Bermuda	"
139	Bahamas	"
140	Barbados	"
141	Turks and Caicos Islands	"
142	Malta	"
143	Gambia	"
144	Windward Islands	"
145	Trinidad and Tobago	"
146	Gibraltar	"
147	Falkland Islands	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.

No. 148.

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1894.

[For Report for 1893 *see* Colonial Report (Annual) No. 107.]

Sir WILLIAM ROBINSON to Mr. CHAMBERLAIN.

Government House, Hong Kong,
July 10, 1895.

SIR,

I HAVE the honour to transmit to you the Blue Book for 1894, together with the following review of a singularly eventful year to which, by reason of the troubles and misfortunes that occurred within it, the previous history of this Colony can furnish no parallel.

Rate of Exchange.

The year 1894 was greeted at its opening by a rapid depreciation in the value of silver; the gold value of the dollar, which towards the end of 1893 had been fairly steady at 2*s.* 4*d.*, fell suddenly during the first two months of 1894 to 1*s.* 11½*d.*, reducing business transactions to the level of a mere game of chance and materially affecting the prospects of the import trade from gold-standard countries. During the month of April, however, there was a slight recovery, the value of the dollar advancing to 2*s.* 1*d.*, and the rate of exchange remaining fairly steady at that quotation and having a further upward tendency at the beginning of May, business prospects improved proportionately and there was reason to look forward to an improvement in trade generally. It was, however, at this juncture that a great calamity intervened in the form of a disastrous epidemic.

The Plague Epidemic.

Early in April it was rumoured that a disease of unusual severity and accompanied by an appalling mortality was raging in a district near Canton; inquiries were made, but at first no definite information was forthcoming as to the features of the disease or its origin, and it was not until the epidemic gradually spread in the direction of the city of Canton that any reliable details were obtained. It was then reported that the disease which was causing such a terrible mortality resembled in its symptoms the scourge known as the "Black Plague" which

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decimated the population of London in the latter half of the 17th century. A medical officer of the Government was accordingly sent up to Canton in order to ascertain the truth of this report by personal observation of the cases under treatment in the native hospitals of that city, and to make a study of the symptoms peculiar to the disease. Upon his return he reported that the disease was undoubtedly that known as the "Bubonic Plague," that it was said to be endemic in certain parts of China, notably in Yun-nan, that it was vaguely termed by the Chinese "wan-yik" or "epidemic," and that there was no record of its appearance in Canton or the immediate neighbourhood in previous years in epidemic form. The origin of the disease in the province of Kwang Tung must always remain a mystery in the absence of any reliable evidence to show that it was imported from those parts of China in which it is said to be endemic. It is possible, of course, that it may have been endemic in the neighbourhood of Canton for years without exciting either the attention or the interest of the Chinese until it assumed an epidemic form. If this be the case, the prolonged drought which preceded the outbreak and its natural effect upon an overcrowded and insanitary city like Canton, with its narrow streets ranging in breadth from some 12 to 15 feet, and its entire lack of any water or drainage system, were quite enough to call forth into life any latent disease that owes its existence to such conditions. However, whether the plague originated in, or was imported into, Canton, the fact remains that it spread, and continued to spread during the month of April, with alarming rapidity, eventually shaping a southerly course in the direction of this Colony.

Three months elapsed between the outbreak of the plague on the Chinese mainland and its first appearance in Hong Kong. On the 11th May the first note of alarm was sounded in our midst by the medical authorities, who reported that seven undoubted cases of plague had been discovered in the local Chinese hospital known as the Tung Wa hospital. This institution is essentially Chinese, is under a Chinese Directorate, and is conducted by Chinese doctors. It is practically the pauper hospital of the Colony.

Upon the discovery of the disease in the Colony, the provisions of the Public Health Ordinance for the prevention, &c. of epidemic diseases were at once called into force by proclamation, which declared the city of Victoria to be affected by an infectious or contagious disease, and from that date our troubles began in earnest.

The prolonged drought had reduced the water supply to a minimum, there was as yet no sign of rain, and the temperature was gradually rising. Thus local conditions tended to favour the spread of the disease, and it was not surprising to learn two or three days later that it had assumed an epidemic form. The fall of rain within a week failed to produce the expected result; the disease still continued to claim new victims, and to increase in virulence with the increasing moisture of the atmosphere and with the stirring up of the soil caused by the flow of storm water.

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It was evident that the epidemic had gained a firm footing in the most densely populated district of the town, Taipingshan, a district abounding in coolie houses and common lodging-houses, where, despite the vigilance of the sanitary inspectors, the pernicious system of overcrowding and other predisposing conditions tended to foster the disease.

In the meanwhile (as reported in my Despatch 20th June 1894*) the executive committee of the Sanitary Board, which had been appointed to deal with the epidemic, had recognised the urgency of the situation, and, amongst other measures which it had devised with great promptitude, had organised cleansing parties consisting of volunteers from the garrison, under the direction of their officers, for the purpose of whitewashing and disinfecting all houses in which the disease had made its appearance. The medical authorities had also been equally active in making arrangements for suitable hospital accommodation. The hospital hulk *Hygeia*, ordinarily used for the reception of small-pox cases, had been moored some 200 or 300 yards off the shore opposite a police barracks, situated at the western extremity of the town, which had likewise been converted into a plague hospital; matsheds fitted up in accordance with medical requirements had also been erected in the same locality as temporary hospitals, and a conveniently situated landing stage and suitably equipped boats facilitated the conveyance of patients to and from the floating hospital. In short, the hospital arrangements made by the medical staff were in every way satisfactory from a European point of view. Unfortunately, however, the Chinese do not see things with European eyes, and herein lies the story of what was perhaps the greatest difficulty experienced in dealing with the epidemic.

From the first, the Chinese strongly objected to the removal of their sick to hospitals under European management. Educated to insanitary habits, and accustomed from infancy to herd together, they were unable to grasp the necessity of segregation; they were quite content to die like sheep, spreading disease around them so long as they were left undisturbed, and they preferred to see their sick friends and relations suffering unspeakable miseries rather than be parties to their removal to European hospitals, where every comfort was provided.

These feelings, no doubt the result of blind prejudice and superstition, naturally prompted concealment, which eventually necessitated the organisation of search parties and a system of house-to-house visitation. Harrowing tales are told of how, upon a search party entering a house in which there were cases of sickness, every possible method of evasion and concealment was hurriedly devised. In some instances a dying person was discovered half suffocated under a heap of dirty rags, in others the patient was hurriedly removed through a trap door on to the roof in the hopes of escaping detection and in total disregard of the

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* No. 2 in C. [7545].

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consequences of such exposure to the wretched sufferer. Never was Chinese ingenuity put to so sore a test, or exercised in such a pitiable cause.

Concealment being at length rendered practically impossible by the vigilance of the search parties, who profited by the above experiences, popular feeling among the Chinese gradually intensified and eventually found expression in mischievous stories attributing every imaginable act of cruelty to the foreign doctors, which were made current by means of offensive placards posted freely in the Chinese quarter of the Colony and in the city of Canton, and in the latter place the popular indignation at the alleged sufferings of the Chinese in Hong Kong ran so high as to seriously menace the safety of the European residents in the foreign settlement.

In this state of affairs every effort was made to pacify and reassure the minds of the Chinese as to the good intentions of the Government and its medical officers towards the sick. Notices were issued by the Government and by the Chinese directors of the Tung Wa Hospital urging the people to place no credence in the idle rumours that were being circulated by mischievous persons, and a similar course was followed by the Chinese authorities in Canton at the instance of Her Majesty's Consul at that port. Notwithstanding, however, these contradictions and efforts at persuasion, the native mind refused to be disabused of the blind prejudice that possessed it, and further rumours of the gradual spread of anti-foreign feeling in Canton and of a contemplated attack upon the foreign community at that port led to a concession being made which, however undesirable it may have been from a purely medical point of view, was fully justified by the urgency of the occasion and by circumstances generally. I allude to the establishment of a temporary plague hospital under the management of Chinese doctors belonging to the staff of the Tung Wa native hospital, but under the supervision of the Government medical staff, the concession being dependent on this latter condition.

The Chinese hospital was established towards the end of May, and thither many of the patients in the Government hospitals were transferred at their own request. The Chinese sick had now the choice of European or native treatment, and although many elected in favour of the former, the vast majority preferred to be attended by their own countrymen.

At this period, notwithstanding the efforts of the cleansing parties and the other sanitary measures that were being taken to stay the progress of the epidemic, the number of cases reported was daily increasing—a state of things in some measure due perhaps to the fact that since the establishment of the Chinese hospital fewer cases were concealed, and to increased vigilance on the part of the searching parties, but pointing unmistakeably to a general increase of the epidemic. The number of fresh cases rose with alarming rapidity during the month of June from between 20 and 30 daily to 60 and 70, and even to 80 and 90 towards the latter end of the month, and on one occasion the official returns for the previous 24 hours recorded the terrible total of 109, including dead bodies picked up in the streets.

The Executive Committee of the Sanitary Board had not been slow to see that the staff engaged in sanitary operations was inadequate to cope with the progress of the disease, that they were, so to speak, still behind the epidemic, and that an increased staff was necessary to enable them to overtake it. The staff accordingly received a reinforcement of some 150 more volunteers from the garrison, and the work of cleansing and disinfecting, which in the earlier days of the epidemic had been confined to houses in which cases of plague had occurred was now extended to all houses which were reported to be in an insanitary condition. The committee further took the precaution of closing a number of unhealthy habitations and of walling-in several streets in the infected district. These and other sanitary measures produced in due course the desired result, and by the middle of July there was a perceptible decrease in the epidemic. The disease further decreased during the latter half of that month and during the succeeding month of August, until it gradually disappeared in the early days of September, leaving the Colony the ghastly legacy of a death-roll extending to some 2,550 names, including that of the much-lamented Captain Vesey of the Shropshire Light Infantry who, as a volunteer in command of one of the cleansing parties, nobly sacrificed his life in the interests of the Colony.

The above figures represent, of course, only the number of deaths from the disease that occurred in the Colony. It is impossible to say how many persons who fled to their native places only to fall victims there contracted the disease in Hong Kong, but their number must have been very large.

One or two further incidents in connection with the epidemic, which added to the troubles and difficulties of the Government, may be conveniently recorded here. I have already alluded to the hostile attitude of the Chinese towards the European doctors —an attitude doubtless due to the horror which they have of surgical operations, based on their belief that there is no place in the next world for mutilated bodies, or at least that they must ever remain so mutilated. I have also referred to the beneficial effect produced by the establishment of a Chinese hospital, where patients received Chinese treatment. This effect was unfortunately but short-lived. As the disease progressed, and the number of deaths increased, a further grievance was urged by the native population in connection with the burial of the dead. With the large daily mortality at the height of the epidemic, it was no longer possible to give the same care to each individual grave, and the burying parties had to dispose of the dead by burying the coffins in trenches, with the result that in some cases the friends and relatives were unable to trace at once the graves of their own dead. This was a great shock to the feelings of a people whose chief form of religion consists in the rites and ceremonies of burial, and in the annual worship of the dead, and as a consequence popular feeling again found expression in anti-foreign placards, accusing the Government of every kind of atrocity and inciting the people to take vengeance on the foreigners in Canton. So serious was the state of affairs at this time, and so deeply was the responsibility of this Government involved that it became absolutely necessary to consider what form of concession could be granted to allay popular feeling consistently with the public safety.

The Chinese were clamouring for free and unrestricted removal of plague patients to their homes without any supervision. It was, of course, impossible to grant this unreasonable request of an unreasoning and excited people, but arrangements were eventually made, through Her Majesty's Consul at Canton, with the Chinese Benevolent Society in that city for the removal of such inmates of the hospitals as desired to leave the Colony and were pronounced medically fit to bear the fatigue of the journey. Specially-equipped junks were provided for their conveyance and suitable hospital accommodation for their reception in Canton, and the removals were carried out under the supervision of the medical staff.

It was anticipated that the above concession would tend to allay the popular indignation, but the Chinese now clamoured for a further unconditional concession, viz., that plague-stricken persons should be free to leave the Colony at their own will and pleasure without first being obliged to go to hospital and without any restriction or supervision whatever. This was a most preposterous demand, and all the more so seeing that it was made by a deputation of Chinese gentlemen who should have known better than to make it. It was, of course, refused, and the Chinese retaliated by leaving the Colony *en masse*. Compradores, contractors, shroffs, tradesmen, domestic servants and coolies all joined in the general exodus numbering altogether some 100,000 persons. The large sugar refineries stopped working, nearly all the Chinese shops were closed, business generally was at a standstill, and private families were put to the greatest inconvenience for want of servants. No more melancholy sight than that presented by the cityof Victoria at this period can well be imagined. Shops and houses were shut up, and in the usually busy and well-thronged streets the only signs of life were here and there a solitary foot passenger, or the rumbling of a transport waggon proceeding to the hospitals to take up its ghastly freight for conveyance to the cemeteries, or the measured tread of a party of "cleansers" returning from their filthy work in the infected slums.

Some painful sights were witnessed on the various wharves from which the Canton and Macao steamers start. The police had strict orders to prevent plague-stricken persons from leaving the Colony except in accordance with the arrangements sanctioned, and it was their melancholy duty to stop many such persons on the point of embarkation. In some cases the wretched victims, urged by the strong desire to die in their native villages, had collected all their remaining strength for the final effort of getting on board the steamer only to collapse utterly on gaining the wharf or the gangway under the scrutinising gaze of the police. The anxious expression worn on the faces of the sufferers—too sure an indication of the disease lurking within—led to the detection of the majority; few managed to evade the watchful and experienced eye of the police; fewer, if any, reached their destination alive. Such painful details cannot fail to arouse one's deepest sympathy with the unfortunate sufferers, but the force of circumstances was too strong and the law of necessity too inexorable to admit of indulgence to mere feelings of sentiment and pity at such a time.

As regards the nature of the terrible disease which worked such havoc in our midst, much valuable information is contained in Dr. Lowson's carefully prepared and interesting report on the subject, which I had the honour to forward to Lord Ripon recently. I do not therefore propose to trespass on what is purely medical ground beyond referring to the very valuable discovery of the plague bacillus by Professor Aoyama and Dr. Kitasato, of the Japanese Medical Mission which visited Hong Kong for the purpose of studying the disease. Both these gentlemen conducted their researches with a steady and patient devotion that cannot but command admiration and gratitude, and it was only fitting that their untiring and unselfish efforts in the interests of science should meet with a richly-deserved success. It was an unkind fate that destined Professor Ayoama to have a passive as well as a practical experience of the disease, but that he made a satisfactory recovery under an enlightened treatment of the disease must add considerably to the value of the knowledge which he and his colleague have given to the world.

Experience of the plague has not unnaturally dispelled much of its mystery and robbed it of many of its initial horrors. We now know, thanks to the valuable discovery referred to above, that the disease is caused by a bacillus or plague-germ in the blood, that that germ thrives in a temperature ranging from 60° to 90°, that it is abundantly found in filthy matter of all sorts, and that its great enemy is the sun. We have also a knowledge of the pre-disposing and generating conditions, of the period of incubation (which ranges from six to nine days), and of the extent to which it is contagious under healthy conditions. With this valuable information which has been acquired at such a terrible cost, it is earnestly to be hoped that science will ere long devise some safeguard in the form of inoculation or otherwise against this disease, as against others.

It was a noticeable feature in the recent epidemic that, whereas only some 18 per cent. on an average of the patients of Eastern extraction recovered, 82 per cent. of the Europeans who were attacked survived. The difference may, of course, be attributable to the fact that the latter cases were carefully treated from the first, whilst many of the former were admitted to hospital in a moribund condition or in such an advanced state of the disease as to render recovery almost hopeless, but, taken with the fact that

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Europeans generally enjoyed immunity from the disease, the difference is striking as pointing to the non-susceptibility of Western blood to the plague-germ in its most virulent form.

The above rough outline of the history of the plague epidemic of 1894 would be incomplete without an expression of the indebtedness of the Colony to the officers and men of the army and navy who volunteered their valuable and timely assistance, to the executive committee of the Sanitary Board, to the police, to the civilian volunteers, and lastly but not least to the Medical Staff. The most prominent individual claims on the gratitude of the Colony have already been brought to the notice of the Imperial Government and have received public recognition from the community, and it therefore only remains to add a tribute of praise to all who took an active part in battling with the disease, and to the community generally for the coolness and patience displayed in the face of what at one time threatened to be a very grave public danger.

Effect of the Plague on Trade, &c.

The effects of the epidemic on the trade and general prosperity of the Colony can more easily be imagined than described here. From the 11th May to the 3rd September Hong Kong was under a ban, and, in illustration of the state of affairs which obtained during that melancholy period, I cannot do better than quote the following extract from my despatch of the 20th June 1894*:—

"29. As to the effect of the plague it is felt in every branch of business, and the loss to the public revenue, to bankers, merchants, shipping companies, the sugar refining industry, traders, shop-keepers, owners of property and the labouring classes can never be accurately determined. On the whole, perhaps, the shipping interests are the most affected. At this season the emigrants to the Straits Settlements have hitherto been counted by thousands per month, and the movements of passengers up and down the Chinese Coast, to and from Kwangtung and through Hong Kong usually amount to vast numbers. Pacific mail steamers leaving for Vancouver, Honolulu and San Francisco refuse to take Chinese passengers. The English, French, and German mails refuse to take native passengers, and the two latter decline cargo also, or even to enter the limits of the harbour. Irregular liners avoid calling at the port altogether.

"30. Considering the great importance of Hong Kong as a shipping port, it is only possible to conjecture what is lost by quarantine regulations against her in every direction which drive away vessels from her harbour, and deprive all, down to the humblest labourer, of their proportion of gain from the coaling, victualling, loading and discharging of the immense fleet which ordinarily frequents these waters.

"31. Chinese hong merchants have retired to the mainland, leaving their premises to caretakers and their commercial engagements in abeyance until the public health shall be restored. The effect of this is much felt by merchants whose merchandize is left on their hands beyond the contract time, and many have had to call on their bankers to enable them to tide over the lock-up of money. The bankers under such circumstances buy and sell fewer bills, and they witness the contraction of all the ramifications of trade in which they have a financial interest. The turn-over in sugar and sugar-refining is reckoned not by thousands but by millions of dollars, and, although happily not suspended, it is for the moment crippled for want of labour. Landlords in the affected districts of the city receive no rents, and the natives generally in the midst of all their troubles find their necessary articles of food 30, or even 50, per cent. above the usual price.

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* No. 2 in C. [7545].

"32. Without exaggeration, I may assert that, so far as trade and commerce are concerned, the plague has assumed the importance of an unexampled calamity."

With the gradual decrease of the epidemic in the latter part of July, the anticipation of an early removal of quarantine restrictions against Hong Kong shipping, and the expected return of the Chinese to the Colony, there were reasonable grounds for hoping that the recent disastrous period would in some measure be atoned for by a re-action in the commercial world, and that trade would receive a stimulus from the recent inevitable suspension.

Outbreak of War between China and Japan.

This ray of hope was, however, soon rudely obscured by the cloud of war which appeared on the political horizon and which, daily assuming a more threatening aspect, eventually burst into storm on the 1st August. The formal declaration of war between China and Japan on that date was followed by the usual restrictions on, and inconveniences to, neutral commerce, whilst the progress of hostilities produced an unsettled state of affairs which for a time partially paralysed the China markets. To these disadvantages were added obstructions to shipping caused by the measures of coast defence adopted by the Chinese authorities, increasing the difficulties of navigation and involving considerable delay and expense to shipping companies, which naturally resulted n increased rates of freight, passage, and insurance.

Taking, therefore, into consideration the combination of circumstances which penalised Hong Kong merchants during the greater part of the year, it is more than satisfactory to note that the value of the trade between this port and China during an unprecedentedly unfavourable period amounted to 133,217,855 Haekwan Taels (the Haekwan Tael is worth about 3*s.* 2*d.*) as against Taels 129,181,223 in 1893 or an increase of Taels 4,036,632, and as a further instance of the gradual expansion of the trade of the Colony with China it may be mentioned that the returns for 1894 show an increase to the value of Haekwan Taels 44,063,627 as compared with those for 1887. The figures for 1894 have, of course, not been unaffected by the appreciation of gold which has added considerably to the silver value of imports, but the comparison may be taken as a fair indication that, whilst the import trade from gold standard countries has not fallen off proportionately to the depreciation in silver, the export trade has benefited to the full thereby.

Shipping.

Turning to the shipping of the port, as an indication of the condition of the Colony generally, the returns for 1894 under the unfavourable circumstances recorded, are more than satisfactory. The total tonnage of vessels entered and cleared during the year amounted to 14,248,670 tons, a decrease of 100,452 tons as compared with the returns for 1893, but an increase on 1892 of 95,821 tons.

The decrease as compared with 1893 was distributed as follows:—

—	No.	Tonnage.
Foreign Ships - - - -	306	65,677
Foreign Junk Trade - - - -	1,336	5,883
Local Junk Trade - - - -	1,408	27,892

It is almost certain, judging from the shipping returns for the first quarter of 1894, that instead of the above decrease there would have been an increase over 1893 of some 700,000 tons but for the visitation of the plague and the severity of the quarantine restrictions universally enforced against Hong Kong, which kept many vessels from entering the harbour. During June, July, and August, for instance, the large mail steamers of the Messageries Maritimes Co. would neither enter the port nor take cargo or passengers from Hong Kong. The P. & O. S. N. Co. ollowed suit in the latter respect, and several other large companies similarly "boycotted" the Colony.

British shipping still reigns supreme in Eastern waters, and in the year under review represented over 70 per cent. of the total tonnage of foreign ships entered and cleared at this port. It is also satisfactory to note in this connection that, notwithstanding that 106 fewer vessels flying the British ensign entered and cleared, there was an actual increase in the tonnage of British shipping of some 46,200 tons in 1894, as compared with 1893, a result to be attributed to the gradual supersession of smaller by larger and more powerful vessels.

Passenger Traffic.

The passenger traffic returns show a marked decrease on the previous year, but compare favourably with the returns for 1892 and preceding years. The number of emigrants amounted only to some 46,000 as against 82,000, and the number of arrivals to 96,000 as compared with 108,000 in 1893. Although sickness must have been in a large measure responsible for this falling off, the returns for 1894 would doubtless have been considerably larger had not the various shipping companies been debarred from carrying passengers by the severity of the quarantine restrictions universally enforced.

On the whole, the experiences of the year 1894 have affected the shipping interests of the Colony to a considerable extent, but, notwithstanding this interruption, the progress of the business of the port of Hong Kong during the past quarter of a century has been steady and satisfactory, as evidenced by the fact that since 1869 the annual returns of the shipping have nearly been trebled, whilst the passenger traffic returns have been more than quadrupled. There is every reason to hope, therefore, that, in the absence of a recurrence of recent misfortunes, this progress will be maintained in future years, and that Hong Kong, which is already the third largest port in the world, will eventually advance yet higher on the list.

Finances.

Notwithstanding the fact that every opposing circumstance was present during 1894, the revenue for the year reached the surprising total of $2,287,203.32, the largest sum hitherto collected in any single year. This very satisfactory result was, of course, partly due to one or two extraordinary receipts, *e.g.*, the accumulation of interest on the unexpended balance of the loan raised in 1893, but after deducting these items there still remains a handsome increase on the revenue for the preceding year, chiefly derived from stamps, permits, licences, postage, and profits on subsidiary coins, the last-mentioned item alone producing an increase of $54,682 as compared with 1893.

The total expenditure for the year, inclusive of public works extraordinary chargeable to current revenue, amounted to $2,299,096 or $11,893 in excess of the revenue. As compared with the preceding year the expenditure for 1894 shows an increase of $378,572, nearly the whole of which is accounted for by the fall in exchange, which materially affected payments in sterling and involved the extra charge of exchange compensation to Government servants, and by the large expenditure incurred in battling with the plague epidemic, which latter item alone exceeded $150,000. Taking, therefore, the above circumstances into consideration and the fact that the revenue suffered severely during the months of June, July, and August, the financial results of the year 1894 cannot but be regarded as an eminently satisfactory indication of the vitality of the Colony.

The item of $150,000 referred to above represents, of course, only a fraction of what the plague must eventually cost the Colony. Under the heading " Legislation " in the Blue Book will be found an Ordinance entitled " An Ordinance for the Summary Resump-

"tion of certain Crown Lands situate in the Taipingshan District "of the City of Victoria and for other purposes," which by the light of the foregoing remarks on the epidemic needs little explanation here. It is enough to state that this district (which at the time of writing has already been resumed by the Crown) is that in which the plague wrought the greatest havoc, and an idea of the value of the property may be gained from the fact that the Government has had to pay some $800,000 for the resumption of an area extending over some 400,000 square feet.

It is perhaps beyond the scope of this despatch to deal with current and prospective events, but I may limit myself to the remark, as a further instance of the satisfactory financial condition of the Colony, that the above large sum has been defrayed entirely from balances in hand. The work of improvement and the prospective financial results arising from the resumption of the above-mentioned area belong to the future, and cannot be appropriately discussed here.

Conversion of the Loan.

During the year a financial transaction of some importance was effected satisfactorily by the Crown agents, to whom the thanks of this Government are due, viz., the conversion of the unredeemed balance of the loan of 200,000*l.*, raised under authority of Ordinance No. 11 of 1886 by the issue of 4 per cent. Debentures, into 3½ per cent. Inscribed Stock, thus bringing it into uniformity with the further loan of 200,000*l.* raised in 1893. The Public Debt of the Colony now stands at 341,800*l.* bearing interest at 3½ per cent., 140,000*l.*, of the first loan having been converted, and the balance of 60,000*l.* redeemed from the Sinking Fund provided for the purpose. The amount of 1,800*l.* over and above the sum of 340,000*l.* thus accounted for represents extra stock issued in connection with the expenses of conversion. The ultimate gain to the Colony from the above transaction is estimated at something over 3,000*l.*, and the other advantages are sufficiently apparent to render comment unnecessary.

Financial Progress of the Colony.

Whilst on the subject of the finances of the Colony, a comparison between the revenues for the years 1869 and 1894 may be of interest as an indication of its progress in this respect. The revenue in 1869 amounted to $923,653 and the population to some 121,000. In 1894 the revenue, as stated above, reached a total of $2,287,208, and the population was estimated at some 246,000. It will thus be seen that there has been an advance both in the amount of the revenue and in the number of the population and that the *per caput* contribution to the public purse remains to-day very much the same as it was 25 years ago—a satisfactory proof that, despite the increase in revenue, the burden on the individual resident is as light as ever, viz., between $8 and $9 a head.

It is not possible to trace here the direct incidence of taxation or to prove that any particular class has not gained at the expense of others, but it may be assumed that, whilst the additional taxation which has been imposed during the last 25 years may have fallen directly more hardly upon one class of the community than upon another, the process of filtration through which all taxation passes until it indirectly touches all classes preserves the balance, so to speak, of its incidence, and the above comparison may therefore be taken as a reliable illustration of the constancy of individual contributions to the revenue during the last 25 years.

Again, taking the respective sterling value of the revenues for the years 1869 and 1894 as an indication of the effect on Colonial finances of the recent steady decline in the value of the dollar, the year 1869 produced an income in sterling of 192,464*l.*, whilst the exceptionally large revenue collected in 1894 (taking the dollar at two shillings as a convenient and approximate average rate for the year) is represented in gold by some 228,720*l.*, or an increase of 36,256*l.* in 25 years, during which period payments in sterling have necessarily become considerably more numerous. Looking at the financial position of the Colony from this point of view, the state of affairs would appear to be less satisfactory than it was a quarter of a century ago, but, seeing that the bulk of the Colony's liabilities are incurred locally and discharged in silver, the position is purely a fictitious one for practical purposes, and is only useful as an illustration of what the financial position of Hong Kong might have been but for the depreciation in silver.

The Public Health, &c.

The mortality statistics of a year darkened by the visitation of a disastrous epidemic must necessarily disclose [an increase in the death-rate and compare unfavourably with those of previous years. It is not surprising, therefore, to find that the total number of deaths from all causes recorded in 1894 amounted to 7,362, giving a death-rate of 30·3 per 1,000 as against 23·3 in 1893 and 21·3 in 1892. The number of deaths reported from plague amounted to 2,552, or over 10 per 1,000, leaving a balance of 4,810 deaths due to ordinary causes or less than 20 per 1,000. It thus appears that but for the plague, which is the key-note of all our misfortunes, the year 1894 would have shown a death-rate lower than that of the remarkably healthy year of 1892, and very far below that of other years.

Against the above mortality returns, the number of births registered in 1894 was 1,455, giving a birth-rate of 5·91 per thousand of the estimated population. The difference between the birth and death-rate would with a normal population point to a considerable decrease in the population during the year, but, as a matter of fact, it is estimated that there was little, if any, decrease in this respect, the vacancies in the labour market being filled as fast as they occurred, and there being a constantly increasing demand for labourers.

The lesson taught by the sad experience of the plague has been very bitter, but it is being turned to the best account. Every effort is being put forward to remedy the defects in sanitation which have recently been revealed: steady progress is being made with the re-drainage of the city of Victoria, and a general inspection of house drains was instituted in December last. In addition to this, legislative measures have been taken to compel householders to carry out extensive sanitary improvements on their properties in accordance with local requirements and with a special view to preventing a recurrence of the epidemic, and, as has been already stated, the Government has itself undertaken the improvement of a large and hitherto unhealthy district in the centre of the city. The necessity of increasing the existing water supply to meet the requirements of a daily growing population and to tide over the apparently lengthening periods of drought has also been recognised from recent experiences, and the work of adding to the storage capacity of our largest reservoir is now far advanced.

It is to be hoped that with all these precautions the Colony may be spared a repetition of the calamity which befel it in the summer of 1894, and that there may be an improvement generally in the public health; but the habits of the lower classes of Chinese, who form the larger half of the population, and the difficulty of instilling into them any ideas of cleanliness, must always be a source of great anxiety to the sanitary authorities and render the strictest vigilance at all times imperative.

Public Peace and Good Order.

The Police returns for the year are satisfactory and show a decrease in the number of both serious and minor offences as compared with previous years, there being 2,575 cases of the former (of which over 2,100 were cases of larceny) as against 2,725 in 1893, and 2,983 in 1892, or a criminal class of rather less than one per cent. of the population.

There was, however, a serious breach of the public peace in the month of March which deserves special notice, resulting as it did in one man being shot dead in the street and nine others more or less seriously wounded. It appears that during the celebration of the Chinese Feast of Lanterns, which is usually made the occasion of a grand procession through the streets, some coolies from the Tung Koon and Sz Yap districts of China came into collision, an incident which served to arouse the dormant ill-feelings between the two tribes or clans. The quarrel was at once taken up by certain clubs, the members of which consist for the most part of professional fighting men and bullies, and these latter, constituting themselves the champions of either party, carried on for a period of four days a form of guerilla warfare and committed the most barefaced assaults in broad daylight and in the most frequented thoroughfares upon any unoffending individual members of the opposite faction whom they might chance to meet. These assaults appear to have been timed so as to elude the vigilance of the police and the armed patrols, and the numerous eye-witnesses were intimidated into silence. In the meanwhile some 12,000 coolies ceased work through fear of exposing themselves to attack, and for four days all work on board the steamers in the harbour was suspended. Peace was eventually restored by the arrest of 13 men who were found carrying arms in the streets and were doubtless implicated in the riot, and by a thorough police search of all suspected coolie-houses and clubs, which led to the flight of the ringleaders, and the coolies eventually returned to work, after some persuasion, under police protection.

The disturbance had no political significance—clan fights in China being of frequent occurrence and often resulting in considerable loss of life—but it caused a serious inconvenience to the shipping, and revealed the existence in our midst of a class of ruffians dangerous to the safety of the community, the most prominent of whom have since been banished from the Colony. It further revealed the necessity of imposing additional restrictions on the sale of arms and of introducing a law for the registration of Chinese clubs, and steps have been, or are being, taken in those directions accordingly.

There were also 9 serious gang robberies during the year, and except in one case the perpetrators of these outrages made good their escape. Unhappily the only robbery in which the police were successful in bringing the offenders to justice was attended by loss of life—an Indian constable and a Chinese coolie being shot dead in the affray which followed the discovery of the thieves. Two of the gang were eventually hanged for murder, and three others were sentenced to 14 years' imprisonment with hard labour.

The difficulties of the police in preventing these crimes or in tracing the offenders can only be fairly estimated with a knowledge of local circumstances. The assailants are in most cases apparently respectable Chinese, dressed in the orthodox long coat with voluminous sleeves, which afford a convenient place of concealment for fire-arms or other deadly weapons; they enter a Chinese shop, ostensibly for the purpose of making a purchase, and, taking the unsuspecting shopmen unawares, throw pepper or some other substance in their eyes, and, covering them with revolvers, proceed to ransack the shop for money or other valuables. Active resistance is seldom, if ever, offered, and, after collecting their spoils and intimidating the wretched storekeeper and his staff into silence, the thieves take their departure in the quietest manner. Thus, unless they are caught red-handed, the police rarely, if ever, have a fair opportunity of arresting these criminals through lack of timely information. In many instances no report is made of these crimes until days after their occurrence. There is, perhaps, no Colony in which police duties are so varied and so responsible

HONG KONG. 1894.

as in Hong Kong. The Chinese criminal, and his name is legion, is a veritable desperado, and the proximity of the mainland of China where there is little, if any, police system, affords a secure and convenient basis of operations to numerous bands of robbers who constitute an ever present danger to the Colony and render the maintenance of a large and efficient police force here absolutely necessary.

The Climate, Weather, &c.

Perhaps the most treacherous feature in the climate of Hong Kong is the sudden and almost hourly change of temperature which takes place, more especially in the dry season. A remarkable instance of this is furnished by the readings of the thermometer in March 1894, the maximum temperature registered during that month being 79·2 and the minimum 49·6, or a difference of nearly 30 degrees. The highest temperature during the year was recorded in September, the thermometer registering 92·9 in that month, and the lowest reading, 41·4, was registered in the month of February.

The weather during the year calls for some comment. The dry season lasted longer than usual, extending far into May, and the backwardness of the wet weather at one time threatened a serious scarcity of water. All anxiety on this account was, however, dispelled by a copious fall of rain on the 12th May, which continued, with the usual intervals of fine weather, until the end of October, the total rainfall for the year amounting to some 104 inches, to which November and December contributed but the fraction of an inch.

Typhoons.

Towards the latter end of September and during the first week of October, the Colony experienced no less than three typhoons within as many weeks. The first two were not serious and may be dismissed with the bare record of their occurrence, but the third, which occurred on the 5th October, is said to have been almost as severe as the memorable storm of 1874.

The typhoon appears to have passed over the island of Luzon on the 2nd October, travelling W.N.W. at an average speed of 10 miles an hour until at noon, on the 5th October the centre was some 50 miles south of Macao. At this point it appears to have taken a more northerly course, embracing Hong Kong in the right-hand semicircle. For no less than 30 hours the Colony experienced a very strong gale veering from N.E. to S.W., which increased to typhoon force between 4 p.m. and 6 p.m., the barometer falling to 29.20 at 5 p.m., at which time the centre of the storm was said to be passing over Macao, a distance of some 30 to 40 miles. Owing to the breakage of the Observatory anemograph, the velocity of the wind could not be accurately ascertained, but it is estimated that some of the gusts at the height of the storm must have had a velocity at the rate of 89 miles an hour.

Some damage was done to property, several houses being unroofed and some partially demolished, but the more substantial buildings remained intact, and the results of the storm were more noticeable in the deplorable wreckage of the beautiful public gardens and the uprooting of several very fine old trees, some of them being more than 43 years old and measuring over six feet in circumference of stem. Much of this damage was doubtless due to the heavy rain which fell during the storm, over 16 inches falling during 24 hours.

Happily there was no damage done to shipping, beyond the stranding of a few junks and small Chinese craft, and no loss of life occurred, a result due to the timely information furnished by the Manila Observatory authorities, and to the local system of giving warning of the approach of typhoons by the hoisting of signals differing in shape and colour according to the direction and distance of the storm, and by firing guns as danger signals.

Afforestation.

It remains to record one more occurrence during the year 1894 which is worthy of special mention. Concurrently with the epidemic of bubonic plague, and as though nature had purposely designed a retaliatory attack on the vegetable world by the animal world, a pest of caterpillars committed terrible ravages on the pine trees, which are such a conspicuous feature of the Colony, and which have been planted and reared at considerable cost. The assailant was the caterpillar of the large moth known as *Eutricha Punctata*, and its large numbers first attracted attention in the month of April. The necessity of taking timely steps for its destruction was immediately recognised, and Chinese villagers were hired to collect the caterpillars and paid in proportion to the quantity collected. In this manner some 35,000,000 insects were collected and destroyed, and within a period of two months the scourge was, temporarily at least, got rid of.

This particular species of caterpillar is said to be well known on the mainland of China, but its appearance in the Colony was remarked for the first time in 1892. In 1893 it re-appeared in considerably increased numbers, and some 30,000 trees were killed by its ravages. And in 1894 its numbers had further increased to an extent which at one time threatened the destruction of all the pine trees in the Colony.

It has been suggested that the cause of this marked increase in the number of these caterpillars since 1892 is due to the extinction of some unknown natural enemy during the very severe winter of 1892, and the close resemblance of the insects in marking and colour to the branches of the pine tree, pointing to a form of protection against some other insect or bird, lends credit to this view.

It is satisfactory to note that, owing to timely operations, a very small per-centage of the many thousands of trees attacked have been killed, and the Colony has thus been spared an irreparable loss, for it is generally acknowledged that besides adding greatly to the natural beauty and attractiveness of the island our pine trees have also added considerably to the healthiness of the climate.

Conclusion.

The above review of the year 1894 speaks for itself, and needs little, if any, comment. To borrow a simile from the greatest disaster which occurred within it, the history of the year is essentially the history of a malignant disease permeating every channel of the Colony's life blood and arresting circulation for a while; but it is also the history of a marvellous recovery, indicating a wonderful vital power. To some the experiences of the year will furnish food for bitter disappointment at the non-fulfilment of great promises and possibilities; to others, who take a more optimistic view of things, they will lend additional confidence in the resources of the Colony, and renewed hope for the future. For myself, looking backward to the past melancholy experience, and forward to the good that must result therefrom, I am tempted to remark,—*Forsan et hæc olim meminisse juvabit.*

I have, &c.
WILLIAM ROBINSON,
Governor.

No. 178.

HONG KONG.

ANNUAL REPORT FOR 1895.

(For Report for 1894, *see* No. 148 of this Series.)

Presented to both Houses of Parliament by Command of Her Majesty.
September 1896.

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149	Straits Settlements	„
150	Lagos	„
151	Seychelles	„
152	Basutoland	1894–95
153	Fiji	1894
154	St. Helena	„
155	Ceylon	„
156	Mauritius	„
157	Labuan	„
158	Gold Coast	„
159	British Guiana	„
160	Sierra Leone	„
161	Jamaica	1894–95
162	British Honduras	1894
163	British Bechuanaland	1894–95
164	Newfoundland	1894
165	Gambia	„
166	Bermuda	„
167	Leeward Islands	„
168	British New Guinea	1894–95
169	Zululand	1895
170	Sierra Leone	„
171	Gibraltar	„
172	Malta	„
173	Barbados	„
174	Turks and Caicos Islands	„
175	Falkland Islands	„
176	St. Helena	„
177	Bahamas	„

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plaugue.
7	Newfoundland	Mineral Resources.

No. 178.

HONG KONG.

(For Report for 1894 see No. 148.)

Hong Kong.
1895.

Sir William Robinson to Mr. Chamberlain.

Government House, Hong Kong,
July 30, 1896.

Sir,

I have the honour to transmit to you the Blue Book for 1895, and to submit the following remarks upon the few occurrences of general interest in a prosperous but somewhat uneventful year.

2. I am happy to say that the terrible scourge known as the bubonic plague, which devastated the Colony during the early summer months of 1894, did not re-appear in epidemic form during the year under review. There were, however, sporadic cases to the number of 44, of which all except one ended fatally. Three of those cases were Portuguese, and the remainder were Chinese. The measures which were taken to prevent the spread of the disease were—

(i.) Isolation of those attacked by the disease at the Kennedy Town Plague Hospital.
(ii.) Disinfection of the infected houses.
(iii.) Segregation for a period of ten days of the people exposed to the infection, in house-boats moored on the confines of the harbour.

It is impossible to say how far the absence of the disease in epidemic form was due to climatic conditions, and how far to the carrying out of the above-mentioned precautions.

3. *Finances.*

The total revenue collected during 1895 amounted to $2,486,228.89, an increase of $199,025.37 over the revenue of 1894, which was itself larger than that collected in any previous year. The items of revenue which contributed principally to this increase were Land Sales, Post Office, Pawnbrokers' Licences, and Stamps, which show increases of $59,000, $52,000, $24,000, and $37,000 respectively, as compared with the preceding year. On the other hand, there was a decrease of $45,000 in the amount derived from the Opium Farm, due to the less favourable terms of a new contract which came into force on the 1st March 1895, and a decrease of $31,000 in interest, due to the withdrawal of deposits to meet the expenditure requisite on the resumption of the plague-infected area of Taipingshan.

The expenditure in 1895 was $2,972,373.01, or $903,[illegible]80.52 in excess of that of the previous year. By far the larger part of this increase, however, viz., $821,000, was expended in the resumption of the area known as Taipingshan, which was the principal scene of the ravages of the plague during 1894. Most, if not all, of this formidable expenditure will doubtless be recouped by the Government when the area, which is being completely redrained and laid out anew, is put up to public auction.

Deducting the sum of $821,000 from the expenditure of $2,972,373.01, the revenue and expenditure would be as follows:—

	$
	2,486,228.89
	2,151,373.01
Showing a surplus of -	334,855.88

Other items of increased expenditure to which special attention may be drawn are:—Pensions $12,699 increase, Post Office $10,000 increase, due principally to a larger expenditure on transit charges incidental to extension in the business of the office, and, finally, certain very necessary additions to the staff of the Sanitary Department have raised the expenditure on that department from $61,566 to $84,082.

All things considered, the financial position is one of which the Colony has no reason to complain.

The average sterling value of the dollar was slightly lower than in 1894, being about 2*s.* 1¼*d.*, as against 2*s.* 1½*d.* in that year. The former rate, however, shows a slight improvement over the average rate for the last nine months of 1894. The lowest rate touched was 1*s.* 11½*d.* (in February and March), and the highest was 2*s.* 2½*d.* (in November). Since May the rate varied only between 2*s.* 1¾*d.* and 2*s.* 2½*d.*

The new British dollar was declared equal to the standard coin of the Colony from the 1st April, and the first consignment of the coins arrived on the 12th July.

4. *Coolies' Strike.*

Towards the end of March a general strike of coolies took place which lasted several days, and caused very serious losses to all interested in the trade and shipping of this Colony. As this episode presents several features of more than ordinary interest, I shall venture to relate its history at some length.

This strike had its origin in the opposition of the keepers of common lodging-houses used as dwellings by the labouring classes to certain sanitary measures designed to prevent overcrowding with all its attendant evils. These measures are embodied in certain byelaws made by the Sanitary Board in 1890, and approved by the Legislative Council in May 1891, providing for the registration of common lodging-houses. It was generally believed that these byelaws would, when enforced, meet with prompt and determined opposition, so their operation was postponed until a date to be subsequently named, and the matter was allowed temporarily to stand over.

In view, however, of the terrible experience of the effects of the plague in 1894, aggravated as they undoubtedly were by overcrowding in the common lodging-houses, the Sanitary Board passed a further resolution to the effect that the byelaws previously made by them should come into force on and after the 1st January 1895, which resolution was unanimously approved by the Legislative Council on the 16th December 1894, and the byelaws accordingly came into force on the 1st January 1895.

As I have already stated, it was anticipated that there would be difficulty in inducing the keepers of the lodging-houses to comply with the provisions of the byelaws. A Chinaman abhors the slightest departure from old custom, and in every fresh measure of the Government which concerns his daily life is prone to see an attempt at ultimate, if not immediate, "squeeze" or taxation. Every possible attempt was made by the Registrar General, both by oral communication and the distribution of thousands of pamphlets, to remove any apprehensions of this nature, and to assure them that the measure was not—as they at first affected to believe— a preliminary step by the Government to the imposition of a poll-tax, but that it was, on the contrary, designed with a view to their health and comfort. Beyond this alleged fear of the ultimate imposition of a poll-tax, there was not the slightest hint of any grievance on the part of the coolies. Explanations and assurances were continued for nearly three months, but as the coolies still maintained their obstructive attitude, it became evidently necessary to enforce the law without further parley. Summonses were accordingly issued against the recalcitrant keepers of common lodging-houses. But here a fresh difficulty arose, as it was found that they had decamped from the Colony.

This was met by the introduction of an Ordinance defining anew the term common lodging-houses and imposing the responsibility of registering, in the absence of the keepers of such houses, upon the "householder" as defined in the Public Health Ordinance, *i.e.*, the actual tenant or occupier, or where there is no such person the immediate landlord of a building.

In consequence of the measures taken to enforce the byelaws, a strike of the coolies employed in working coal and cargo began on the 23rd March, and on the arrival of the daily steamer from Macao on that day a number of coolies on strike endeavoured to interfere with and coerce the coolies engaged in carrying goods and baggage to the shore. The attempt was promptly defeated by the police, and two of the ringleaders were arrested and sentenced to six weeks' hard labour. The Chinese being generally of a peaceable and law-abiding disposition, there was never any serious apprehension of any outbreak of violence; nevertheless every precaution was taken to enable the Government to nip any turbulent manifestation in the bud; the Police Force was strengthened, and the streets and harbour were constantly patrolled by armed pickets,

Hong Kong. 1895.

and it is satisfactory to note that with the exception of the episode above recorded no attempt at disturbance took place during the whole period of the strike. By the evening of the 23rd March there were some 3,000 coolies on strike, and next day the strikers were joined by the whole of the coolies who load and discharge coal.

This rendered the coaling of steamers impossible unless assistance of an unusual nature could be obtained. I accordingly on the 25th March caused the P. & O. S.S. "Verona" to be coaled by a gang of 50 convicts from Victoria Gaol, while the services of 100 men of the Rifle Brigade, which were voluntarily rendered and which proved highly useful, were availed of in discharging the cargo of the P. & O. Mail S.S. "Pekin."

As it was impossible to induce coolies to work cargo in the harbour on account of the strike, it was thought that they might be induced to labour if removed to some spot remote from the scene of the strike. With this view the S.S. "Rio de Janeiro" steamed round to Aberdeen (a village on the south side of Hong Kong) where she was able to have her cargo of rice, destined for Canton, discharged into river junks. On the 26th March several other steamers followed this example. The coolies engaged in this work were protected night and day by a strong body of police in launches afloat, and police patrols were placed along the road from Victoria to Aberdeen to prevent coolies who were travelling in search of work from interference at the hands of the strikers. Work proceeded all day on the steamers without interruption.

On the morning of the 26th the licensed owners of the boats which removed cargo to and from ships endeavoured to go out on strike, but on being warned by the police that they could not leave the waters of the Colony without a clearance and that their sureties would be dealt with by the Registrar General, remained passive. Some difficulty was nevertheless experienced by firms in hiring the boats. The police therefore undertook to hire boats for them, and during the remainder of the strike cargo boats were supplied to the public by the police on the usual terms and in whatever numbers desired.

On the 26th March the hands at the East Point and Lee Yuen Sugar Refineries also began to show signs of disaffection, and special pickets of police were told off to protect such of them as were willing to continue at work. In spite, however, of these precautions nearly the whole of the coolies at both establishments were out on strike by nightfall. On the 27th the coolies who had been working cargo on steamers at Aberdeen struck work.

The strike had now reached its acutest stage. All the coolies who handle cargo on ship and on shore and who work coal, together with nearly all the hands at the Quarry Bay, East Point, and Lee Yuen Sugar Refineries, making a total of at least 20,000, were on strike. The coolies employed by building contractors did not join in the movement, nor did any of the coolies who carry chairs and pull jinricksbas. There were also a certain number of what are called "street coolies," who do odd jobs, carrying luggage, &c., whose services were obtainable. These men were employed by the police in stevedore and coaling work, while a number of men from the Hong Kong Regiment also rendered useful aid in discharging vessels, and six petty officers of the Royal Navy were sworn in as special constables to strengthen the water police.

On the morning of the 28th the hands at the Hung Hom Docks showed a disposition to join the strike. The police were quickly on the spot and succeeded in arresting two strangers, doubtless emissaries from the strikers in Victoria.

They could give no satisfactory account of themselves and were sentenced by the magistrate to three months hard labour as rogues and vagabonds, and the hands at the dock gave no further trouble.

The few remaining hands at the East Point refinery also struck work on the 28th March, and on the same day a public meeting of the community, convened by the Chamber of Commerce, was held to consider the crisis. An influential committee was elected to deliberate and communicate its views to the Government. Several leading merchants addressed the meeting, which appeared to be unanimous in its desire to support the Government in its determination to grant no concession whatever to the foolish prejudices of the strikers. Meanwhile there were not wanting signs that the strike was breaking down. An offer was made to one of the largest shipping firms in this Colony by a Chinese to undertake the stevedore business of the firm within 24 hours on condition that he was guaranteed permanent employment as stevedore for five years. This offer was made on the 28th March, and on the following day similar offers were made to other firms.

The hands at the three refineries returned to work on the 29th March, and the Captain Superintendent of Police was able to hire 50 coolies for a local firm at $1 a day, and to engage 50 more at the same rate for another firm for the next morning, and more could have been obtained on the same terms if required.

Moreover the P. & O. stevedore now expressed his willingness to obey the provisions of the byelaws as regards registration. There seemed every likelihood that the strike was about to come to an end, but the well-founded hopes of an immediate termination of the deadlock was unfortunately frustrated by the ill-timed action of the committee appointed at the public meeting to which I have referred. The committee met in conference on the 29th March with a certain number of Chinese compradores and stevedores, and the outcome of that conference was an agreement to endeavour to effect a compromise with the recalcitrant coolies, the substance of which was that the owners of lodging-houses should be allowed to register instead of the head coolies. On the evening of the same day the committee, without previously ascertaining the views of the Government, or obtaining its authority for the measure, published and circulated a handbill in Chinese stating that they intended next day to recommend a compromise of this nature to the Government, and that they felt confident that their suggestion would meet with approval. The false hopes thus raised in the coolies' minds bore bitter fruit; for, of course, the proposal when placed before the Government was unhesitatingly rejected.

The compliance with it at such a juncture would have been a complete victory for the rebellious coolies, the consequences of which could not have failed to prove disastrous to the Colony for many years to come from whatever point of view the circumstances are regarded: disastrous to health and sanitation, for the modification proposed would have been a decided obstacle to the smooth working of the very necessary byelaws; disastrous to trade and commerce, for success in this strike would inevitably have meant a succession of strikes in future years; and, far worse than all, disastrous to the future peace and good order of the Colony. It was perfectly clear that the strike was not an economical one, but was in fact nothing short of a rebellion on the part of a large section of the inhabitants against the law and the Government. This rebellion, it is true, took the form not of active opposition but of passive resistance, but it was perhaps all the more difficult to terminate on that very account. The moral effect of the slightest display of weakness on the part of the Government at such a crisis would have been harmful beyond all calculation and would have resulted in a disastrous legacy to future administrations. It is a commonplace that the Chinaman, judging others by himself, as a rule regards every concession as a sign of weakness, and had the coolies gained their point in this case, it is certain that they would have looked upon themselves as masters of the situation on any future occasion in which their wishes might conflict with the will of the Government.

The circular, however, was issued by the committee, containing what, to the Chinese mind, amounted to a pledge that Government would accept a compromise. The result was that the strike, which showed signs of collapsing, continued.

On the morning of the 30th March a large number of coolies resumed work in the expectation that the compromise referred to would be carried into effect. When, however, it became known that it had not been accepted by Government, they left off work again, with the exception of the hands at the sugar refineries, who had never been very determined in their attitude. The coolies engaged by the Captain Superintendent of Police the previous afternoon for certain shipping firms did not keep their engagements, and before noon of the 30th March the strike had re-assumed its acutest form.

On the 1st April matters once more appeared hopeful. Early in the morning of that day the police succeeded in hiring 350 coolies for various firms at $1 a day. A public meeting was held at 11 a.m. at which a vote of confidence in the Government was passed, and later in the day an agreement was made by the stevedore who had, as has been mentioned, in the preceding week approached certain firms, to supply stevedore coolies to the Government by whom they were let out through the agency of the police to all who required their services.

This was the beginning of the end. The strike soon collapsed, and by the 4th April the labouring coolies once more resumed their work as usual.

On the 2nd April upwards of 500 coolies were supplied to various firms at $1 a day. On the 3rd April more than 1,000 coolies were supplied at 75 cents a day, and by noon of the 4th April the strike was at an end. The victory of the Government, against which, and not against employers of labour, the strike was organised, was complete.

This happy result was, of course, not achieved without heavy losses to the mercantile community, owing to the temporary deadlock in business, and more especially shipping, but the crisis was one which did not admit of compromise, and, apart from the benefits to be looked for from the byelaws, to prevent the enforcement of which was the object of the strikers, the coolie class, who were beginning to think they held the reins of power, have received an object lesson which, it may be hoped, they will not soon forget.

Peace and Good Order.

The police statistics show an increase of 7 per cent. over 1894 in serious (so called) offences, but this may be accounted for by the depletion in population which the plague gave rise to during three months of 1894; the increase as compared with 1893, which was a normal year, is only 1·54 per cent. Three supposed murders came under the notice of the police, but in no case was the crime traced home to the perpetrator. This is just the average number of cases for the past five years. There was a very large increase (75 per cent.) in minor cases, largely due to increased activity in prosecutions for offences against sanitary arrangements, good order in the streets, and kindred offences.

Two gang robberies were reported. On the 18th November at 6.30 p.m. three men armed with revolvers entered a shop in Praya West, overawed the shop people and stole a watch, and four days later a similar robbery was successfully perpetrated in a shop in Wellington Street; the three ruffians concerned in this case succeeding in making good their escape with notes and silver to the value of $900. The difficulties under which the police labour in their efforts to trace the offenders are very great. The possession of revolvers or other deadly weapons without a license is illegal, but from a case which has come to light during the current year it appears that these ruffians have been in the habit of evading detection by placing their weapons in pawn as "old iron" and redeeming them when required for the purposes of some outrage.

The pawnbroker in the case cited received exemplary punishment.

Shipping.

The shipping of Hong Kong has been aptly termed the "lifeblood of the Colony" and supplies a very fair index of the progress of its prosperity.

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1895.

The following facts may therefore be of some general interest.

The total tonnage entering and clearing during the year under review amounted to 15,632,113 tons, as compared with 14,248,670 in 1894 and 14,349,122 in 1893.

There were 36,908 arrivals with a tonnage of 7,827,398 tons, and 36,853 departures, with a tonnage of 7,804,715 tons.

The daily average of entries was 85 vessels (including junks) as against 75 in 1894, and it may be mentioned that on one occasion there were in the harbour 241 trading vessels, viz., 69 steamers, eight sailing vessels and 164 junks. For European-constructed vessels the average daily entry was 12·45 as against 11·57 in 1894, and of the steamers arriving 73 per cent. were British. It is an interesting fact that the total tonnage entering and clearing at Hong Kong (exclusive of local trade) in 1895 exceeded the 1894 tonnage entering and clearing at London (exclusive of coasting trade) by 775,706 tons, also that, excluding our junk trade entirely, the tonnage entering and clearing in 1895 exceeded the 1894 tonnage at Liverpool (exclusive of coasting trade) by 1,036,008 tons, and that of Cardiff by 1,047,195 tons, while at Hong Kong in 1895, British tonnage alone exceeded the British and Foreign tonnage (exclusive of coasting trade) at Newcastle, the next port in the United Kingdom, by 3,641,524 tons. Hong Kong being a free port, no perfectly accurate statistics of imports are obtainable, but, from enquiries made of shipping firms, it appears that the total amount of cargo imported was 2,760,954 tons, as against 2,625,610 tons in 1894. The principal variations are as follows:—

—	1894.	1895.
Flour - - -	60,250	101,766
Rice - - -	619,075	764,368
Sugar - - -	170,499	185,616
Timber - - -	16,040	26,389
Kerosine - -	100,367	67,051
General - - -	1,079,676	1,026,004

The above figures cannot, of course, be relied upon as strictly accurate, but they may be regarded as fairly trustworthy.

Population, &c.

The population of the Colony in 1895 is estimated by the Registrar General as follows:—

British and Foreign - - -	10,828
Chinese - - - -	237,670

as against 10,782 and 235,224 respectively in 1894. The death-rate per thousand in 1894 was for British and Foreign, 23·28 and for Chinese, 30·42. The death-rates in 1895 were 17·64 and 21·92 respectively, which are about the same as those of 1892 and 1893.

Public Works.

The new Central Market was completed in April and opened on the 1st May. It consists of two blocks, each two stories in height, the lower story having the main entrance from the Praya and the upper from Queen's Road, side entrances being also provided from Victoria and Jubilee Streets. Between the two blocks is a central avenue 20 feet in width, over which Inspector's quarters are constructed at each end.

The total area is 51,274 square feet, or 40,000 square feet exclusive of the approaches and central avenue.

The work occupied five years from the commencement of the foundations, and the total cost, including the site, was $416,000.

The extension to the gaol which was commenced in October 1893, was completed on the 20th December. The new building consists of two main blocks, three stories in height, and contains 155 separate cells, in addition to workshops and store-rooms. The whole is surrounded by a high masonry wall, and communication with the older gaol premises is provided by a sub-way under Old Bailey Street.

The Kowloon Waterworks, commenced in June 1891, were completed during the year, and the peninsula is now entirely independent of the Hong Kong reservoirs for its water supply. The sources of supply are three valleys situated north of the village of Yaumati. In these wells have been sunk and puddle dams constructed across their outlets to prevent the escape of sub-soil waters. A clear water tank has been constructed at Yaumati, with a capacity of 148,000 gallons, and there are reservoirs at Yaumati and Hunghom with respective capacities of 162,600 and 92,850 gallons. The water is conveyed from the wells by cast-iron inverted syphons to the clear water tank at Yaumati from which it is pumped to the reservoir on the hill north of the Rifle Range and through the distributing mains to the reservoir at Hunghom. The pumping machinery was started on the 24th December, and water has been delivered under pressure since that date.

The provision of an adequate and constant water supply is one of the most important problems with which the Colony is confronted. With a view to preventing a recurrence of the state of affairs which obtained in the spring of 1894, when the long delay in the commencement of the rainy season rendered it necessary to curtail the supply to the smallest possible dimensions, to the great detriment of the health and convenience of the Colony, it was decided to enlarge the Taitam Reservoir, which is the main source of the Colony's water supply. The project included the raising of the main embankment by 12 feet 6 inches, and the

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overflow weir, 10 feet, thus increasing the storage capacity of the reservoirs to 390,000,000 gallons. The work on the main embankment is nearly completed and the overflow weir has been raised 5 feet.

The rainfall in 1895 was the smallest recorded: 46 inches as against an average fall of 90 inches. The yield was consequently insufficient to fill the reservoir and meet the daily requirements of the Colony. It was therefore considered desirable to extend without delay the catchment area of the Taitam Reservoir by the construction of a catchwater to intercept the flow of water from the hillside to the east of the reservoir. This work is in progress and the catchment area has already been increased by 80 acres. On the completion of the work the catchment area of the Taitam reservoir will be increased by 220 acres, making the total area 900 acres. Within this additional area are situated some perennial streams which will be intercepted, increasing not only the flow into the reservoir during the rainy season but also that during the dry season.

The Praya Reclamation is being steadily proceeded with. The improvement of the resumed plague-infected area of Taipingshan is in progress, and several other public works extraordinary of less importance have been completed or are in hand.

Legislation.

There is little of general interest to record under this head.

An amendment to the Trade Marks Ordinances was passed, rendering it necessary that notice of an application to register marks shall be inserted at least once a month for a period of three months in the "Government Gazette" and a local newspaper before the application can be granted.

The law relating to the carrying and possession of deadly weapons was consolidated, new provisions being added (*a*) prohibiting the export of arms from the Colony except under permit from the Captain Superintendent of Police; (*b*) requiring dealers in arms to keep a register showing particulars of all arms sold, with the name, address, &c. of the purchaser; and (*c*) requiring purchasers of arms to present to the vendor a valid licence to carry or possess arms.

The Stamp Ordinance of 1886 was amended, and Ordinances were also passed (1) for the protection of the Colonial defences from sketching, and (2) to empower the Governor to prohibit immigration into the Colony from ports infected by plague or other epidemics.

The above is a brief review of a year which presents few striking incidents, but which was perhaps one of the most prosperous in the not very lengthy history of this interesting and unique Colony.

This will probably be one of the last Blue Book reports 'ch I shall have the honour to address to you from Hong Kong in concluding it I would point out that the expectations I .ed and gave expression to some four and a half years ago, and which were then adversely criticised and even treated in some quarters with derision, have been, or are in course of being, fulfilled. 1894 and 1895 have been exceedingly prosperous years, notwithstanding serious impediments, and I hope and have every reason to believe that this Colony, looking to its remarkable vitality, will, in the future, continue to advance in wealth and prosperity.

I have, &c.
WILLIAM ROBINSON,
Governor.

No. 210.

HONG KONG.

ANNUAL REPORT FOR 1896.

(For Report for 1895, *see* No. 178.)

Presented to both Houses of Parliament by Command of Her Majesty.
October 1897.

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179	Windward Islands	"
180	Labuan	"
181	Trinidad and Tobago	"
182	Seychelles	"
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205	Straits Settlements	1896
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MISCELLANEOUS.

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7	Newfoundland	Mineral Resources.
8	Western Pacific	Solomon Islands.

COLONIAL REPORTS—ANNUAL.

No 210.

HONG KONG.

HONG KONG.
1896.

(For Report for 1895, *see* No. 178 of this Series.)

GOVERNOR SIR WILLIAM ROBINSON to MR. CHAMBERLAIN.

Government House, Hong Kong,
23rd July, 1897.

SIR,

I HAVE the honour to transmit to you the Blue Book for 1896, and to submit for your information the following general review of the year.

FINANCES.

The revenue collected during the year shews an increase of $123,650.05 over the revenue of the preceding year, the gross receipts amounting to $2,609,878.94 as against $2,486,228.89 collected during 1895. This very satisfactory result is, however, more than accounted for by the exceptionally large receipts derived from Land Sales, which realised $270,858.99 or an increase of $140,387.20 over the proceeds from the same source of revenue in the previous year.

Substantial increases are also shewn under the following heads :—

(*a*) Light Dues - - - - -	$9,998
(*b*) Fines - - - - - -	27,289
(*c*) Licences - - - - - -	5,000
(*d*) Stamps - - - - - -	9,477
(*e*) Rent of Government Property, &c.	7,175

There is also a general increase under "Fees of Court or Office, &c.," but it is chiefly accounted for by the transfer to the revenue side of items which were treated in 1895 as appropriations in aid of expenditure.

Against the above mentioned increases must be set the following noticeable decreases :—

(*a*) Profits on Subsidiary Coins -	$42,404
(*b*) Other Miscellaneous Receipts, - due to a falling off in the profits derived from balances in the hands of the Crown Agents.	64,585
(*c*) Interest - - - - - -	5,936.

EXPENDITURE.

The total expenditure, chargeable to current revenue, amounted to $2,474,910.37 as compared with $2,972,373.01 expended during 1895. This marked difference is mainly due to a decrease of $768,331.07 in the expenditure on Public Works Extraordinary, the sum expended in 1895 on the Taipingshan Improvement Scheme amounting to $821,261 as against only $17,847 so expended during the year under review. There is also a saving on salaries of some $11,000, and a decrease in the expenditure of the Post Office on account of Transit Charges amounting to $5,959, giving, with the addition of other minor decreases, a total decrease in expenditure of $795,248.15 as compared with the year 1895.

From the above total decrease must be deducted a total increase of $297,785.51, giving a net decrease of $497,462.64 in the expenditure for 1896 in comparison with the preceding year.

The increases are distributed and accounted for as follows :—

(1) Military Expenditure, $156,971.

(2) Charge on account of Public Debt, being the contribution to the new Sinking Fund, $16,779.

(3) Fire Brigade, $13,786, due to the purchase of a new Floating Fire Engine.

(4) Sanitary Department, $10,736, due to an increase of the staff.

(5) Public Works Recurrent, $15,184, due to extensive repairs to Government Buildings during the year, the cost of maintenance of the new Kowloon Waterworks, and the improvement of street lighting.

(6) Appropriations in aid of expenditure transferred to General Revenue, $65,096.

The expenditure on Public Works Extraordinary, chargeable to Loan, amounted to $230,619.32 for 1896 as against a sum of $183,186.27 expended thereon in 1895.

The surplus of Revenue over Expenditure chargeable thereto, amounting to $134,968.93, must be regarded as fairly satisfactory, and more especially in view of the fact that whilst the receipts were undoubtedly affected to some extent by the prevalence of Bubonic Plague in the Colony during the year, the expenditure was increased by some $71,000 on account of the measures adopted to suppress the epidemic.

LEGISLATION.

The following are the most important Ordinances passed by the Legislative Council during the year :—

(1) An Ordinance to amend the practice as to the vacating of the registration of a Lis Pendens, which follows the lines of the English Act (30 & 31 Vict. c. 47) and brings the Law of this Colony into line in this respect with that prevailing in England.

(2) An Ordinance to amend and consolidate the Law relating to Factors, which introduces (*mutatis mutandis*) the provisions of the English Factors' Act of 1889.

(3) An Ordinance for codifying the Law relating to the Sale of Goods, which brings into force the codification of the Law relating to the sale of goods which is contained in the English Sale of Goods Act 1893.

(4) An Ordinance to amend the Marriage Ordinance, 1875, which enables parties to enter into a valid civil marriage before the Registrar-General even although neither party professes the Christian religion, the power of contracting such a marriage being limited to parties who are not bound by any previous marriage contracted in accordance with their laws and religion.

POPULATION.

The population on the 30th June, 1896, was estimated at 239,419, distributed as follows :—

Non-Chinese - - - - -	7,870
Chinese Land Population -	193,560
Chinese Boat Population -	33,150
Army - - - - - -	2,739
Navy - - - - - -	2,100

In consequence, however, of the disturbances caused in the distribution of the population by the general exodus of Chinese in 1894 and the subsequent resumption of the district known as Taipingshan, arrangements were made during last year for taking a census early in the current year, and the result of the census, which was taken on the 20th January, gives a total population of 245,000.

EDUCATION.

Owing to the prevalence of plague during the year, there was, I regret to state, a considerable decrease in the number of pupils attending the various schools. The total number of Educational Institutions open during 1896 amounted to 215, (of which 101 were Grant-in-Aid Schools and 17 were Government Schools) with an enrolment of 9,686 scholars as compared with 236 schools with 10,876 pupils in 1895. It is a noticeable fact that since the epidemic of 1894 the number of scholars attending the several schools has decreased by 2,293.

No material change has taken place as regards the nature of the education given in the local schools since the Government announced its intention to promote an English rather than a Chinese education among the native population. Only one-third of the schools can be said at present to offer an European education, and the fees charged at such schools appear to be prohibitive to the mass of the people. I am pleased to notice, however, a tendency on the part of the managers of Grant-in-Aid Schools to meet the wishes of the Government as soon as it is practicable to do so, and in view of the growing demand amongst the Chinese for an English education, the need of a Training School, which will furnish a supply of qualified native teachers and so place the means of acquiring a knowledge of the English language and Western ideas within the reach of the poorer classes, is gradually becoming more pressing, and will, doubtless, receive the early consideration of the Government.

As regards female education, the epidemic which prevailed during the year considerably reduced the general attendance at the different schools; but, notwithstanding this temporary check, there is distinct evidence to indicate that a progressive movement is at work and that the prejudice of the Chinese against female education is gradually yielding so far at least as a purely Chinese education is concerned. On the other hand, however, the objection to an English education, as tending to imbue the minds of Chinese girls with a desire for independence inconsistent with the subordinate status assigned to them in Chinese society, still prevails and opposes progress in this direction.

TRADE.

I regret to state that from a local commercial point of view the year 1896 was somewhat disappointing. Trade was, generally speaking, unprofitable, and importers characterise it as one of the worst years they have experienced for some considerable time—a condition of things which is illustrated, to some extent, by the returns of the Imperial Maritime Customs for Kowloon and District, the statistics shewing a decrease in the value of imports from Hong Kong to China amounting to 434,935 Haikwan Taels or some £72,722 as compared with the year 1895.

I learn on reliable authority that all classes of goods—yarns, piece-goods, metals, and sundries—were imported on a very limited scale, and sales were generally unsatisfactory, being confined, for the most part, to the supply of immediate wants. Shipping employed in Eastern waters shared correspondingly in the general depression, freights being very scarce, and rates unremunerative. The dulness in demand and general absence of all speculative enquiry are commonly ascribed to the after-effects of the China-Japan war, but reasons may possibly also be discovered, so far as the experience of British merchants is concerned, by the light of subsequent remarks and statistics illustrative of foreign competition.

The opium import for the year shews a decrease of 2,400 chests, and importers have sustained losses owing to the unfavourable rupee exchange without a corresponding rise in the price of the Indian drug in the China market. The price of the Indian product has, however, necessarily risen sufficiently to give an impetus to the production of the native drug, and the shortness of the Bengal opium crops year after year and the diminished auction sales of the Indian Government, added to unfavourable exchange conditions, are factors affecting the price of the Indian drug to such an extent, that, if such conditions continue, the native product must eventually entirely supplant the imported drug.

A noticeable feature of the year was the marked displacement of Indian cotton yarns by the Japanese product in the Chinese market, and although this fact may be in some measure accounted for by the unfavourable exchange which similarly affected the opium import, and by the closing of the Bombay mills, which tends to further penalise importers from India, there is every indication that the Japanese have taken full advantage of the situation, and there is little doubt, I fear, as to the ultimate result of the competition.

The main exceptions to the general dulness in demand during the year were the Flour trade and the Kerosine Oil trade. The former business yearly increases, aud yielded very handsome profits owing to the high prices of wheat caused by the Indian famine. The kerosine trade also continued to be brisk, and the demand for the Sumatra product is advancing rapidly in China, and is being developed by German agency in this Colony.

Before concluding these general remarks on trade, it may be of some interest to quote the following extract from my speech to the Legislative Council on the 4th December, 1893, as bearing on the situation :—

> "The Japanese are quite alive to the situation so far as it concerns them, and are not only erecting new Cotton Mills, to the number of 20 it is said, but are about to take the Import Duty off Raw Cotton. It is possible therefore that we may soon see Japan, for a time, supplying China with goods which she formerly obtained from Europe or India. It seems anomalous that whilst England should be striving to extend her commerce and commercial relations in China on the one hand, she should on the other be countenancing measures which apparently have the effect of creating competition against herself and her own productions in the East.
>
> "Under these circumstances the attention of the Community should be directed to the desirability of establishing Cotton Mills in Hong Kong. The Government is in possession of several eligible sites, and if only capitalists, either European or Chinese, will come forward and invest their capital in such enterprises, I will endeavour that, so far as the acquisition of land is concerned, they shall be treated with exceptional liberality. The success which has attended other efforts of this nature in Hong Kong ought, under these favourable circumstances, to lead to the introduction of additional local Industries, such as Cotton Spinning and Weaving, and no more fitting time than the present seems likely to occur. This matter is worthy therefore of the earnest consideration, not only of this Community, but of capitalists in the neighbouring provinces in China."

SHIPPING.

Owing to the epidemic of Plague during the year, quarantine restrictions were enforced from March to the end of July at Singapore, Manila, and the Northern ports against ships arriving from Hong Kong. With the exception, however, of Manila, these restrictions were made as little irksome as possible, and the effect on the shipping returns was inconsiderable.

The total tonnage entered and cleared during the year amounted to 16,515,953, being an increase of 883,840 tons on the returns for 1895. There were 40,244 arrivals, aggregating 8,250,853 tons and 40,219 departures aggregating 8,259,100 tons. Exclusive of River steamers and Chinese-owned vessels which in 1895 appeared under the British and German Flags, there was an increase of 142 British ships aggregating 286,557 tons or 5½ per cent., an increase under the German flag of 267 ships aggregating

331,070 tons or 23 per cent., and an increase under the Japanese flag of 194,104 tons or 195 per cent. British shipping represented 53¼ per cent. of the total tonnage entered and cleared during the year (as compared with some 70 per cent. for 1894) and Foreign tonnage, exclusive of native craft, represented 21½ per cent.

The above statistics are of considerable interest as affording a further illustration of the rapid progress and commercial development of Japan, whilst the increase in the number of German vessels would appear to point to lower freights outwards in foreign bottoms and to cheaper railway transit to foreign ports of shipment.

PUBLIC PEACE AND GOOD ORDER.

The criminal statistics for the year are exceedingly satisfactory. The total number of cases reported to the Police was 12,975, shewing a decrease, as compared with the returns for 1895, of 400 cases or nearly 3 per cent. Dividing these cases into serious and minor offences there is a decrease, as compared with the previous year, of 453 cases or 16.37 per cent. in the former, and of 53 cases or ·49 per cent. in the latter category.

Whilst, however, it is gratifying to notice a remarkable decrease of such offences as larceny and unlawful possession, which are only too common amongst the Chinese, I regret to have to record 8 cases of murder as against 3, and 120 cases of burglary and larceny in dwellings as against 81 in the preceding year. There were also 6 somewhat serious gang robberies during the year, one of which was unhappily attended by the murder of a district watchman, for which the assailant ultimately suffered the extreme penalty of the law.

PUBLIC HEALTH.

I regret to say that during the year the Colony experienced another serious outbreak of Bubonic Plague, and although the epidemic was neither so extensive nor so appalling in its results as the terrible visitation of 1894, it was attended by an alarming mortality and taxed the resources of the Sanitary and Medical Authorities to the fullest extent before it was finally controlled.

The disease broke out in the first week of January and continued to run its course notwithstanding every effort to arrest it until in the week ending the 30th May no fewer than 100 cases with 81 deaths were recorded. From that date the epidemic rapidly declined, although cases continued to occur until the end of November.

The total number of cases recorded during the above period was 1,204, and the number of deaths from the disease 1,078, giving a mortality rate of 89.5 per cent.

From these figures it will be observed that the extent of the epidemic was much more limited than that of 1894 which resulted in 2,550 deaths in the Colony itself, but it is a regrettable experience of the year 1896 that notwithstanding the fuller knowledge possessed by the scientific world of its nature and the improved methods of treatment, the disease does not lose any of its virulence and shewed a greater tendency to spread to Europeans, of whom 16 were attacked and 8 succumbed, including, I regret to record, two Sisters in the Italian Convent, two British soldiers, and two British employés of the Government.

During the progress of the epidemic the Sanitary Board and its staff, ably assisted by the police and some soldiers, whose services were kindly placed at the disposal of the Government, and others who voluntarily gave their assistance, were untiring in their efforts to suppress the disease. They were, however, confronted with the same difficulties at the outset that were experienced in 1894, and with a misapprehension of the situation which is essentially Asiatic, the Chinese persisted in eluding the vigilance of the Sanitary Authorities and availed themselves of every facility for the secret removal of their sick relatives and friends from the Colony. In many cases they were detected in the endeavour to dispose of their dying or dead in total disregard of all sanitary principles, casting them out into the streets or into the harbour, or at best removing them to some unoccupied dwelling. It was thus extremely difficult for the sanitary officers to discover "infected" dwellings, and it became necessary to resort to drastic measures for the general disinfection and lime-washing of all Chinese dwellings within the infected districts.

I am glad to be able to state that but little opposition was offered by the Chinese Community to this very necessary preventive measure, and to their co-operation in this matter and to the tact with which the Sanitary Authorities performed an unpleasant duty, I attribute the ultimate success which attended the efforts to confine the epidemic during its duration within comparatively narrow limits.

The expenditure incurred in dealing with the disease amounted to some $71,000 as against some $150,000 expended in suppressing the epidemic of 1894, a financial aspect of the case which serves to illustrate the comparative severity of the two visitations and indirectly the beneficial effects of improved sanitation and the value of experience even though such experience costs dearly. Another gratifying feature of the more recent epidemic was the entire absence of anything in the form of a general panic amongst the Chinese, and the inconsiderable effect it produced upon the trade and general prosperity of the Colony, as is evidenced by the satisfactory Revenue and Shipping returns for the year. It is true that a few of the wealthier Chinese sent their wives and families away during the height of the epidemic, but there was no general exodus, no scarcity of labour, no suspension of business, no lock-up of capital; in short, none of the disastrous results which characterised the year 1894, and but little indeed to indicate the prevalence of an alarming epidemic in the Colony.

As is not unusual during the prevalence of an epidemic, the Public Health in other respects was satisfactory. The total number of deaths registered during the year was 5,860, of which 5,607 occurred amongst the Chinese. This gives a total death-rate of 24·5 per 1,000 as compared with 21·65 per 1,000 for 1895 and an average of 22·65 for the last 5 years, exclusive of 1894, the year of the disastrous plague epidemic. If deaths from Bubonic Plague are excluded, the death-rate for the year under review is reduced to 19·9 per 1,000, and compares most favourably with the average for previous years.

SANITATION.

The experience of a second epidemic of Plague reveals the necessity of further speedy and effective measures in the direction of sanitation; for it cannot be denied that the sanitary condition of the Colony is still capable of much improvement, and more especially in regard to the native quarters of the city. With this object in view I have appointed a Commission to enquire into and report on the existence of insanitary dwellings and the best method of dealing with them. It is to be hoped that the Commissioners will be able to suggest some effective remedial measures in this direction, the importance of which cannot be over-estimated, if "the house is to be put in order" against the apparently recurrent attacks of the Plague.

In the meanwhile active progress is being made in other directions. The sewerage of practically the whole of Victoria, of the Peak District, and of some of the more important villages, has been completed and over 5,800 houses have been drained and connected with the new sewers. The district of Taipingshan covering some 6 acres in extent, which was resumed by the Government after the epidemic of 1894, is being laid out in a manner that cannot fail to improve greatly the health of that district and the City of Victoria generally. In addition, something in the nature of a transformation is being effected in the smaller but populous villages by the formation of proper streets and the regulation of the occupation of land.

The water supply, which is of vital importance to the health of the community, has been increased by the raising of the dam at Tytam Reservoir so as to impound an additional supply of 100,000,000 gallons, and the streams from an additional area of 400 acres have been intercepted by catchwater channels and led into the reservoir. A new storage reservoir to contain some 30,000,000 gallons is in course of construction at Wongneichong Gap and will be fed by the streams from a drainage area of 200 acres, furnishing a valuable contribution to the water supply of the Eastern districts. In addition to the above works two covered service reservoirs have been constructed, two others are in progress, and additional filter-beds are being made, whilst the populous villages of Aberdeen and Shaukiwan, and the greater part of the Kowloon Peninsula, including the important villages of Hunghom and Yaumati, have all been provided with a supply of excellent water, laid on to street hydrants or individual dwellings.

It will thus be seen that every attention is being paid to each branch of sanitation, and as the Chinese gradually become better acquainted with Western sanitary principles there is reason to hope that the public health will improve materially within the next few years.

CLIMATE, &c.

The average monthly temperature during the year was 72° Fahr., the highest recorded temperature reaching 94° Fahr. in the month of July, and the lowest 40·7° in the month of December. The maximum monthly temperature, viz., 88·1° Fahr. was registered for the former month, and the minimum monthly temperature—53·1° Fahr.—is credited to the month of February.

The total rainfall for the year was 72·780 inches, towards which total the months of June and July contributed over 31 inches, which, taking into consideration the high temperature that prevailed during those months, illustrates the trying nature of the summer in Hong Kong as compared with the conditions obtaining in hotter but drier climates. The greatest variation in temperature, which is another trying feature of this climate, occurred in the month of December, when the highest temperature reached 76·5° Fahr. and the lowest stood at 40·7° Fahr., a difference of more than 35 degrees in one month.

TYPHOONS.

There were four typhoons during the year, viz., on the 29th July, 9th August, 5th October, and 11th October, but that which occurred on the first mentioned date is alone worthy of special record, and is generally considered to have been the worst hurricane experienced in the Colony since the memorable storm of 1874.

The Observatory reports indicate that the disturbance originated in the Pacific some days previously and entered the China Sea to the North of Luzon on the 28th July. Moving thence in a W.N.W. direction at a somewhat high average speed of 13 miles an hour, the centre of the storm had attained a position 150 miles to the south-east of the Colony at noon on the 29th July. Its course was maintained, and at 4 p.m. a strong gale from N.E. by N. was experienced in Hong Kong. Subsequently, the wind veered round to East by South, and the storm reached its height at 10 p.m., the Observatory anemograph recording at that hour the great wind velocity of 108 miles an hour, exceeding by 19 miles an hour the greatest velocity of the wind recorded during the very severe storm experienced in September, 1884. A strict comparison with the force of the typhoon which passed over the Colony on the 5th and 6th October, 1894, cannot be made owing to the damage sustained by the anemograph on that occasion, but it is almost certain that the velocity of the wind in July last was considerably greater.

The barometric minimum (28·87 inches) was registered at the Observatory between 9.30 p.m. and 10 p.m., whilst at Gap Rock Lighthouse, some 30 miles south of Hong Kong, the lowest reading, 28·54, was observed at 9 p.m., the centre of the typhoon at the time being within 10 miles of that station and some 40 miles distant from the Colony.

At Victoria Peak, which is some 1,500 feet above the level of the sea, the damage caused by the storm was much greater than on the lower levels, the maximum velocity of the wind being about 140 miles an hour.

A noteworthy feature of the typhoon was the small rainfall (3.09 inches during the 29th and 30th July) which accompanied it, as compared with 16·11 inches which fell during the typhoon of October, 1894.

This was perhaps a fortunate circumstance as a heavy rainfall invariably adds to the destructive powers of the wind, and I am glad to be able to record that there was but little loss of life, although a not inconsiderable amount of damage to property.

GENERAL.

In the concluding paragraphs of this my last Blue Book report from Hong Kong, it may not be inappropriate to invite your attention to the following comparisons between the years

1891 and 1896 as indicative of the general progress of the Colony during the period of my administration here.

REVENUE.

1891	$2,025,302.51
1896	$2,609,878.94
Increase	$584,576.43

POPULATION.

1891	224,814
1896	245,000
Increase	20,186

SHIPPING TONNAGE.

1891	14,005,698
1896	16,515,953
Increase	2,510,255

TOTAL VALUE OF TRANSIT TRADE.

1891	126,346,736	Haikwan Taels
1896	155,280,524	„
Increase	28,933,788	„

The history of every period and of every country contains its darker as well as its brighter records, and the history of this Colony during the past five years furnishes no exception to the rule. There are the dark pages which record the general financial depression which greeted me on my arrival, the melancholy experience of the Plague Epidemic in 1894, followed by the unfortunate outbreak of war between China and Japan, and the re-visitation of the Plague in 1896, but although these may be unpleasant reminiscences, they are experiences which have taught this Community a greater reliance on its own resources, and the test of adversity has been productive of good results in more directions than one.

The establishment of two large kerosene oil depôts, a feather-dressing factory, soap works, rattan works, match factories, coal bricquette works, and the extensions of the large sugar refineries, rope works, docks, besides other enterprises of less importance, all furnish a satisfactory illustration of the increasing public confidence in the success of local industries; whilst the Praya Reclamation, upon which several fine buildings are in course of construction, and the rapid development of British Kowloon provide ample evidence of the general expansion of the Colony. Add to these the extensive works which have increased the water supply to some 400,000,000 gallons, the fine Central Market, Cattle and Slaughter Depôts, which have a most important bearing on the food supply of the Colony, the Taipingshan Improvement Scheme, the new sewerage works, and the general improvement of the outlying villages, and we have further illustrations of progress in the direction of sanitation.

In short, despite its darker records—and happily they are few—the history of Hong Kong is summed up in the single word "Progress." If, in some measure, my administration has contributed to that result the pleasure derived from the retrospect will tend to mitigate the regret with which I regard my approaching departure from a Colony with whose interests I have for six years, without interruption, been identified.

I have, &c.,

WILLIAM ROBINSON,
Governor.

COLONIAL REPORTS—ANNUAL.

No. 245.

HONG KONG.

ANNUAL REPORT FOR 1897.

(For Report for 1896, *see* No. 210).

Presented to both Houses of Parliament by Command of Her Majesty.

October 1898.

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ANNUAL.

No.	Colony.	Year.
219	Lagos	1896
220	Gold Coast	"
221	Labuan	"
222	British Guiana	1896-97
223	Rodrigues	1896
224	Basutoland	1896-97
225	Jamaica	"
226	Bechuanaland Protectorate	"
227	Leeward Islands	1896
228	Bermuda	1897
229	Gambia	"
230	Turks and Caicos Islands	"
231	Barbados	"
232	Lagos	"
233	St. Vincent	"
234	Sierra Leone	"
235	Falkland Islands	"
236	Straits Settlements	"
237	British New Guinea	1896-97
238	Bahamas	1897
239	St. Lucia...	"
240	St. Helena	"
241	Trinidad and Tobago	"
242	British Honduras	"
243	Malta	"
244	Fiji	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast...	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.

No. 245.

HONG KONG.

HONG KONG.
1897.

(For Report for 1896, *see* No. 210.)

ACTING GOVERNOR BLACK to MR. CHAMBERLAIN.

Government House,
Hong Kong,
31st August 1898.

SIR,

I HAVE the honour to forward to you the Blue Book for 1897, together with the subjoined report on that year.

FINANCES.

The revenue collected during the year amounted to $2,686,914.70, as against $2,609,878.94 collected in the preceding year, and as against $1,427,485.79 collected in the year 1887: this shows an increase of revenue during the last ten years of $1,259,428.91 (or approximating to 100 per cent.), whilst the population, during the same period, has only increased by 35,759 or 16·79 per cent.

The receipts from land sales during the year show a decrease of $46,358.40, but this is necessarily an uncertain and, in a sense, a speculative source of revenue during any fixed period; the receipts on other more settled accounts are more satisfactory.

Under the more reliable items of revenue the following most substantial increases are shown as compared with the year 1896:—

	$
Assessed Taxes	26,924.21
Stamps	36,699.20
Official Signatures	13,895.11
Queen's College Fees	3,512.00
Sunday Cargo-Working Permits ...	4,275.00
Postage	23,336.15
Leased Lands	24,516.31
Interest	4,576.84
Profit on Coins	4,819.71
Water Account	21,207.41

HONG KONG.
1897.

There are no very noticeable decreases to be set against the above-mentioned increases except that of $31,683.68 under the heading "Fines," which Sir W. Robinson characterised as an unsatisfactory source of revenue; of $3,558.45 on account of Junk Licences, which is probably explained by lower freights on river steamers; of $5,469.62 under "Other Miscellaneous Receipts"—an ever-varying source of revenue; and the decrease of $46,358.40 on premia from land sales mentioned above.

The net result of a comparison with the year 1896 shows an increase of revenue amounting to $77,035.76 during the year 1897.

EXPENDITURE.

The total expenditure during 1897 was $2,641,409.71, a net increase of $166,499.34 as compared with the expenditure of 1896.

The most noticeable increases on the expenditure side were:—

	$
Public Debt	30,337.03
Pensions	22,769.51
Public Works Department ...	3,862.82
Post Office	18,799.12
Lighthouses	2,721.90
Medical Department	5,215.61
Transport	4,458.46
Miscellaneous Services	67,946.05
Public Works Recurrent	20,982.54
Public Works Extraordinary ...	58,205.40

The amount expended on Public Works Extraordinary chargeable to the Loan amounted to $321,705.89, as against $230,619.32 in 1896, and $186,970.87 in 1895.

ASSETS AND LIABILITIES.

The Statement of Assets and Liabilities shows a debit balance on the 31st December, 1897, amounting to $264,649.87, of which $262,091.95 were loan monies.

Against this apparent deficit, however, the Colony had a prospective asset of $350,000 worth of coins which were paid for before the 31st December, but were not yet in transit on that date.

It should also be mentioned that the expenditure for the year 1897 included a sum of $116,000 on account of Her Majesty's Jubilee Celebration.

LOAN.

The Balance Sheet of the Loan Account showed at the end of the year a debit balance amounting to £336,625 0*s*. 9*d*.

MILITARY ACCOUNT.

The amount in sterling contributed by the Colonial Government during 1897 in aid of Military Expenditure was £42,993 12*s.* 3*d.* as against an expenditure of £162,588.

LEGISLATION.

The most important Ordinances passed during the year were—

(1) An Ordinance to declare and amend the Law of Partnership.

(2) An Ordinance to consolidate and amend the Laws relating to the Construction of Ordinances, to further shorten the Language used in Ordinances, and for other like purposes.

These Ordinances assimilate the law of the Colony to that prevailing in England.

There was also an Ordinance passed to consolidate and amend the Laws relating to Probates and Letters of Administration in this Colony.

POPULATION AND PUBLIC HEALTH.

The population in 1887 numbered 212,951, as against an estimated population in the latter part of 1897 numbering 248,710, including members of the Army and Navy to the average number of 5,118. The European civil population during the year was estimated at 8,555.

The total number of deaths registered was 4,668 as compared with 5,860 during 1896, but in the latter year there were no fewer than 1,078 deaths from Bubonic Plague; deducting deaths from that disease, however, there has been a material reduction in the death-rate, which for 1897 stands at 18·85 per 1,000 as compared with an average of 23 per 1,000 during the previous five years (exclusive of 1894, the year of the great epidemic of Bubonic Plague).

The above statistics show an improvement in the state of the public health, which may be regarded as satisfactory; notwithstanding the fact that 293 cases of small-pox and 65 cases of enteric fever were reported during the year, the latter being chiefly confined to Europeans and the origin traceable to the milk supply.

It is only natural that a port like Hong Kong should be largely exposed, through the shipping, to epidemics of an infectious nature, and it is probably an indication of the adequacy of the Quarantine Regulations that such epidemics are not more frequent.

It is satisfactory to note that only 21 cases of Bubonic Plague were reported during the year.

HONG KONG.
1897

CLIMATE.

As bearing on the above, the following particulars regarding the climate during the year under review may prove of interest.

The average monthly temperature was 71·7° F., as compared with 72° F. during 1896. The maximum monthly temperature was attained in July when it reached 82·1° F., as compared with a maximum monthly temperature in the same month of the previous year 88·1° F.; the minimum monthly temperature was recorded in February, as in 1896, being 54·2° F., as compared with 53·1° F. The highest recorded temperature was 91·8° F. in the month of September, and the lowest was 41° F. in the month of February.

The total rainfall for the year was 100·03 inches, as compared with 71·78 inches during 1896, the wettest months being August with 25·55 inches and June with 23·355 inches, whilst the driest months were December with 0·48 inch and March with 0·815 inch of rain. No rainfall was recorded on 193 days of the year, as compared with 208 days during the previous year. The largest rainfall for the 24 hours during the year was 6·03 inches on the 28th June. The relative humidity of the atmosphere throughout the year was, approximately, 80 per cent. The average daily amount of sunshine was 4·78 as compared with 4·8 hours in 1896. On 71 days only no sunshine was recorded.

SHIPPING AND TRADE.

The shipping returns for the year are not quite so satisfactory as might be expected. The total tonnage entering and clearing amounted to 15,938,174, being a decrease of 577,779 tons as compared with the year 1896. British shipping shows an increase of 329 ships and a decrease of 489,528 tons. This numerical increase, with a tonnage decrease, is attributed to the number of small vessels which, since the opening of the West River in June last, have been plying on that route and increasing the number of entries and clearances without a proportionate increase of tonnage, whilst British ocean-going steamers show a decrease of 201 entries, aggregating 275,360 tons, the chief causes of which are attributable to the continued failure of the rice crop and the deflection of the Siamese rice trade owing to the plague and famine in India.

Foreign shipping, on the other hand, shows an increase of 263 ships, and of tonnage aggregating 280,731 tons, the shipping under the Japanese flag having been more than doubled since 1896, and showing an increase of 153,343 tons. German shipping, on the other hand, shows a decrease of 41,000 tons. Shipping under other foreign flags shows a more or less substantial increase, but there has been an appreciable falling off of vessels classified as "Junks in Foreign Trade" and "Junks in Local

Trade" which is attributable, *inter alia*, to the failure of the rice crop and to the increased river steamer traffic.

TRADE.

The trade of 1897 was on the whole unsatisfactory from a local point of view, and more especially in imports, which were adversely affected by the low rate of exchange and the scarcity of the circulating medium—factors which not only restricted business but greatly curtailed profits.

In cotton piece goods business opened dull, but improved; during the summer a healthier tone prevailed, transactions being above the average of recent years, due possibly to some stimulus derived from the opening of the West River in June, but later in the year an adverse exchange restricted demand, while at the close business came to a standstill owing to the extreme tightness of money. The result was a falling off in the volume of business as compared with 1896, and this was even more marked in the case of fancy and woollen goods.

The trade in English cotton yarns compared favourably with that of the preceding year, and is reported to have been profitable to dealers, but the margin of profit to importers was slender.

Compared with the business transacted in 1896, the trade in Indian yarns must be pronounced as unfavourable. The prevalence of plague in Bombay, the prohibition of import into Tonkin during three months of the year, the violent fluctuation in rupee exchange, and the serious fall in the dollar prices of yarn during the final quarter of 1897 combined to check the import of the Indian product and promote that of its Japanese rival.

In metals and sundries a fair business was transacted although not very profitably to importers, the fluctuations of exchange and tightness of money serving to handicap operations.

Although the import of foreign opium showed a slight increase over that of 1896, the trade in this commodity proved generally very unprofitable, chiefly on account of the unfavourable exchange between India and China. The native drug, owing to the high rates asked for the Indian product, is gradually but steadily replacing the latter in the Chinese markets.

The volume of the import of flour in 1897 was somewhat less than in the previous year (3,312,116 quarter sacks, as against 3,831,499 quarter sacks in 1896) consequent on the higher rates prevailing, but the trade was profitable to importers, who for the most part had bought forward at prices much lower than those ruling on delivery.

The trade in kerosine oil continues to show a steady increase, the import both in case and in bulk comparing favourably with that for 1896.

A considerable development was apparent in the coal trade in 1897, the import of between 700,000 and 800,000 tons being larger than in any preceding year. Prices rose steadily throughout the year and have continued appreciating during the current year.

Since the opening of the West River to foreign trade on the 3rd June last, regular communication has been established, and it is hoped that this new outlet will, in course of time, prove of considerable advantage to the commercial interests of the Colony.

PUBLIC PEACE AND GOOD ORDER.

The criminal statistics for the year may be regarded as satisfactory, although they do not compare favourably with those for 1896. Owing to the diminished population during that year on account of the plague epidemic, a comparison with 1895 is a more reliable indication of improvement in this direction.

The total number of cases reported to the police in 1895 was 13,376, and in 1897, 9,629. In the former year, however, 10,608 were of a minor nature, leaving 2,767 serious cases as against 2,896 serious cases in 1897. Whilst, therefore, the year 1897 compares more than favourably with 1895 as regard minor offences, it shows an increase of 129 cases of more serious crimes.

CONCLUSION.

There is but little to add to the particulars given above regarding the year 1897, which was of an exceptionally uneventful nature. In his previous despatches Sir W. Robinson has so fully reviewed the general progress of the Colony during his tenure of office—financially, commercially, and socially—that I have been content to limit this despatch within the somewhat narrow limits of statistics. I may remark, however, that during my term of office here as General Officer Commanding my observation has convinced me of the Colony's present prosperity and future possibilities.

I have, &c.,

W. BLACK, *Major-General,*
Administering the Government.

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COLONIAL REPORTS—ANNUAL.

No. 282.

HONG KONG.

REPORT FOR 1898.

(For Report for 1897, *see* No. 245.)

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ANNUAL.

No.	Colony.	Year.
255	Basutoland	1897–98
256	Newfoundland	1896–97
257	Cocos-Keeling and Christmas Islands ...	1898
258	British New Guinea	1897–98
259	Bermuda	1898
260	Niger.—West African Frontier Force ...	1897–98
261	Jamaica	"
262	Barbados	1898
263	Falkland Islands	"
264	Gambia	"
265	St. Helena	"
266	Leeward Islands	"
267	St. Lucia	"
268	Fiji	"
269	Turks and Caicos Islands	"
270	Malta	"
271	Gold Coast	"
272	Trinidad	"
273	Sierra Leone	"
274	Ceylon	"
275	British Solomon Islands	1898–99
276	Gibraltar	1898
277	Bahamas...	"
278	British Honduras	"
279	Mauritius and Rodrigues	"
280	Grenada	"
281	St. Vincent	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.

No. 282.

Hong Kong,
1898.

HONG KONG.

(For Report for 1897 *see* No. 245.)

Governor Sir H. A. Blake to Mr. Chamberlain.

Government House,
Hong Kong,
22nd September, 1899.

Sir,

I have the honour to transmit to you the Blue Book for 1898, and to submit for your information the following general report on that year:—

I.—FINANCES.

The following tables will show in succinct form the heads of revenue and expenditure. They are compared with those of last year; and it will be seen that during the year 1898 the revenue has exceeded the expenditure by $76,354.04. I have also given in tabular form the total revenue and expenditure of each year for the last five years.

Under the headings (B), (C), (D), and (E) I have drawn your attention to matters concerned with taxation, the assets and liabilities of the Colony, the public debt, with the provision made for its gradual liquidation, and the present state of the currency.

3994—800—10/99 Wt 21935 D & S—5 (B)

(A.) General Revenue and Expenditure.

Revenue.

—	1897.	1898.	Increase.	Decrease.
	$	$	$	$
Light dues	114,176.41	51,645.15	—	62,531.26
Licences and internal revenue not otherwise specified	1,222,542.05	1,459,095.90	236,553.85	—
Fees of court or office, payments for specific purposes, and reimbursements in aid.	187,720.79	225,356.86	37,636.07	—
Post office	268,616.49	337,179.99	68,563.50	—
Rent of Government property—land and houses ...	396,125.89	401,114.11	4,988.22	—
Interest	4,576.84	—	—	4,576.84
Miscellaneous	158,607.85	197,715.79	39,107.94	—
Total, exclusive of land sales and water account ...	2,352,366.32	2,672,107.80	386,849.58	67,108.10
Land sales	224,500.59	133,318.87	—	91,181.72
Water account	110,047.79	112,732.57	2,684.78	—
Total ... ... $	2,686,914.70	2,918,159.24	389,534.36	158,289.82
Deduct Decrease ... $			158,289.82	
Nett Increase ... $			231,244.54	

Expenditure.

—	1897.	1898.	Increase.	Decrease.
	$	$	$	$
Charge on account of public debt...	157,490.70	163,805.03	6,314.33	—
Pensions	140,824.22	164,210.26	23,386.04	—
Governor and Legislature	44,243.94	51,809.58	7,565.64	—
Colonial Secretary's department	25,691.46	34,862.11	9,170.65	—
Audit department	12,103.80	7,386.61	—	4,717.19
Treasury	22,249.23	22,409.02	159.79	—
Public works department	89,556.92	89,574.10	17.18	—
Post office	207,080.29	241,561.52	34,481.23	—
Registrar-General's department	12,195.32	14,994.92	2,799.60	—
Harbour Master's department	61,485.00	65,835.25	4,350.25	—
Lighthouses	16,394.03	14,934.94	—	1,459.09
Observatory	14,563.99	12,728.85	—	1,835.14

Hong Kong
1898.

Expenditure—continued.

—	1897.	1898.	Increase.	Decrease.
	$	$	$	$
Stamp office	3,564.62	3,615.80	51.18	—
Botanical and afforestation department	18,862.41	17,842.44	—	1,019.97
Legal departments	76,382.20	76,092.45	—	289.75
Ecclesiastical department	1,825.00	1,815.00	—	10.00
Education	72,984.83	72,420.12	—	564.71
Medical departments	114,978.80	115,502.48	523.68	—
Magistracy	21,082.51	21,405.00	322.49	—
Police	218,905.85	222,163.90	3,258.05	—
Gaols	59,372.25	57,954.61	—	1,417.64
Fire brigade	22,662.47	14,920.09	—	7,742.38
Sanitary department	96,662.40	101,613.41	4,951.01	—
Charitable allowances	4,231.09	4,034.79	—	196.30

Transport	7,712.86	9,400.92	1,688.06	—
Miscellaneous services	307,265.81	290,808.49	—	16,457.32
Military expenditure	476,869.66	519,274.89	42,405.23	—
Public works recurrent	206,451.67	194,447.57	—	12,004.10
Public works extraordinary	127,716.38	234,381.05	106,664.67	—
Total ... ... $	2,641,409.71	2,841,805.20	248,109.08	47,713.59
		Deduct Decrease ... $	47,713.59	
		Nett Increase ... $	200,395.49	

	$
Revenue in 1898	2,918,159.24
Expenditure in 1898	2,841,805.20
Surplus	$76,354.04

HONG KONG, 1898.

Total Revenue and Expenditure for the last Five Years : 1894—1898 *inclusive.*

—	1894.	1895.	1896.	1897.	1898.
Revenue	$ 2,287,203.32	$ 2,486,228.89	$ 2,609,878.94	$ 2,686,914.70	$ 2,918,159.24
Expenditure	2,299,096.00	2,972,373.01	2,474,910.37	2,641,409.71	2,841,805.20
Surplus or deficit	— 11,892.68	— 486,144.12	+ 134,968.57	+ 45,504.99	+ 76,354.04

There was in 1898 an additional expenditure of $135,845.85 ; but this was due to public works extraordinary, and was therefore chargeable against the loan. The amount so expended was $1,984.15 less than had been estimated.

(B.) IMPORTANT CHANGES IN TAXATION.

In deference to the wishes of the shipping community the light dues were in 1898 reduced from 2½ cents to 1 cent per ton. This accounts for the difference (amounting to $62,531.26) between the receipts from this source in 1897 and 1898.

(C.) ASSETS AND LIABILITIES.

ASSETS.	—	LIABILITIES.	—
	$		$
Subsidiary coins	345,000.00	Drafts drawn by Crown Agents, in transit ...	82,000.00
" " in transit	650,000.00	Military contribution	60,370.34
Arrears of taxes	21.87	Deposits not available	407,090.76
" Crown rent	40,433.92	Refund of taxes	2,500.00
Advances to be recovered	48,885.07	Officers' remittances, not yet paid...	26,613.00
Suspense house service	5,461.75	Money orders, not yet paid	12,881.99
		Transit charges	5,900.00
		Pensions due to civil officers	15,900.00
		" " police	11,000.00
		Private drainage works	292.36
		Overdrawn balance	251,905.77
		Total Liabilities ... ... $	876,444.22
		Balance ... ... $	213,358.39
Total Assets ... ... $	1,089,802.61	Total ... ... $	1,089,802.61

	$
Balance of Assets over Liabilities	213,358.39
Less Balance of 1893 Loan	123,334.14
Total	$90,024.25

(D.) PUBLIC DEBT.

In 1893 the Government borrowed £341,799 15*s.* 1*d.* (sterling) for the purposes of certain extraordinary public works. The principal of these works were the Praya Reclamation, a central market, water, drainage and sewerage works. The loan was an inscribed stock loan, bearing interest at 3½ per cent., to be paid off on April 15th, 1943. In 1896 a sinking fund was created for the purpose of gradually paying off the loan, and during that year the sum of £1,594 9*s.* 9*d.* (sterling) was devoted to it. In 1897 the sinking fund stood at £5,174 14*s.* 4*d.* (sterling), and during the past financial year it has risen to £8,854 8*s.* 1*d.* (sterling).

(E.) CURRENCY.

The only legal tender is the Mexican dollar, and the British and Hong Kong dollar, or other silver dollars of equivalent value duly authorised by the Governor. Silver coins, representing some multiple of the cent or hundredth part of the said dollar, are legal tender for any sum not exceeding two dollars, and the copper or bronze coins representing the cent or one-hundredth part, and the *cash* or *mil*, representing one-thousandth part of the dollar, are legal tender for any amount not exceeding one dollar. There is also a large paper currency in use, in the form of notes issued by the Chartered Bank of India, Australia, and China, the Hong Kong and Shanghai Banking Corporation, and the National Bank of China, Limited.

Amount of Paper Currency in Circulation.

The notes of the Chartered Bank of India, Australia, and China, the Hong Kong and Shanghai Banking Corporation, and the National Bank of China, Limited, in circulation during the year ending 31st December, 1898, were in amount as follows :—

Month.	Chartered Bank of India, Australia, and China.	Hong Kong and Shanghai Bank.	National Bank of China, Limited.
	$	$	$
January	3,051,947	8,126,528	449,740
February	2,808,273	7,676,009	448,587
March	2,995,966	6,609,031	450,000
April	2,938,719	6,764,001	448,960
May	2,836,976	6,439,806	450,000
June	2,775,838	6,176,267	448,824

Month.	Chartered Bank of India, Australia, and China.	Hong Kong and Shanghai Bank.	National Bank of China, Limited.
	$	$	$
July...	2,914,252	5,087,096	450,000
August	2,917,093	5,747,676	444,905
September	2,873,076	6,180,333	445,879
October	2,534,743	6,419,676	449,538
November	2,583,714	5,721,000	439,057
December	2,873,594	6,799,128	448,875

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

Under the heading (A.) I have endeavoured to give such statistics as are ascertainable with regard to exports and imports. The fact that Hong Kong is a free port makes it a matter of unusual difficulty to give anything like a complete statement on this important subject. In the absence of a Custom House it is necessary to rely upon returns which may be only approximately accurate, but which will probably be found useful in giving a general idea of the present state of Hong Kong commerce. The tax on opium renders that article of commerce the only one of which I can offer clear returns. In the following tables I present the export and import returns of opium for the last five years :—

(A.) IMPORTS AND EXPORTS OF OPIUM FOR THE LAST FIVE YEARS.

—	1894.	1895.	1896.	1897.	1898.
	Chests.	Chests.	Chests.	Chests.	Chests.
Imports	41,578	36,609½	34,208	37,708	39,392½
Exports	38,978½	36,241	33,385½	35,808	37,828½
Through cargo reported in manifests but not landed.	22,986	16,190½	14,838½	13,739½	15,482½

HONG KONG, 1898.

The opium exports of 1898 represent, in piculs*, a total of 43,142,525.

The year 1898 was marked by a considerable increase in the dealings in rice and coal, and by the introduction of the trade in bulk oil from Langkat (Sumatra). The large dealings in rice were due to local famines in the Kwangtung and neighbouring provinces, and those in coal were due partly to the ordinary increase in shipping traffic and the growth of manufacturing industry in the Colony, and partly to the large purchases made by foreign Governments during the period of impending war.

The import trade of the Colony was increased, during 1898, from all parts of the world; and this increase amounted in the aggregate to 659,833 tons of cargo discharged. The cargo in transit was during the same period advanced by 167,860 tons. In exports generally there was an increase of 1,205 ships and 229,151 tons of cargo.

The junk trade has naturally not increased with the same rapidity as that conducted by European vessels. The circumstances of a free port, added to the difficulty of identifying and distinguishing native craft, and Chinese proficiency in evasion, make it extremely hard to keep an absolutely true return of some 50,000 or 60,000 junks, and it is probable that a number of these junks come and go without leaving any trace on our records. The following extract from the Chinese Imperial Customs Report for 1898 gives the following figures as representing, in Mexican dollars, the value of the Hong Kong junk trade for the year under review, and the number of junks entered and cleared :—

Imports from Hong Kong.	Exports to Hong Kong.	Total.	Number of Junks entered.	Number of Junks cleared.
$ 33,190,202.13	$ 33,992,383.12	$ 67,182,585.25	30,217	30,212

In addition to these, 5,379 fishing junks were licensed.

(B.) MINES, MANUFACTURES, AND FISHERIES.

Mines.—The only mining done in the Colony at present is in granite. Some silver and tin have been discovered, by not in paying quantities. In past years a considerable sum was expended in a silver mine on the Island of Lantao; but the mine was afterwards abandoned.

---

* One picul = 133⅓ lbs.

It is difficult, as yet, to say what impetus to mining in the Colony may be given by mineral discoveries in the new territory; and until mining experts and geological surveyors have made a careful examination of the territory, it will be difficult to speak with certainty on the subject of future prospects.

Manufactures and Industries.

The present prosperous state of the industry and manufactures of the Colony, especially of the City of Victoria, seems likely to continue. A survey of the industrial returns for the last five years shows an increase in the number of workmen employed in most of the colonial industries, and the growth in the number and variety of the manufactures themselves show that Chinamen are not too conservative to turn their capital and abilities into new directions. The chief industries are sugar refining, the manufacture of cement, paper, bamboo, and rattan ware, carving in wood and ivory, working in copper and iron, gold beating and the production of gold, silver, and sandal wood ware, furniture making, umbrella making, jinricksha making, and large industries connected with kerosene oil, cotton, and matches. But while most of these industries are subject to considerable fluctuations from year to year, chiefly on account of the absence of capital to enable the traders to tide over a period of sluggish business, one of the forms of industrial activity which seems to be uniformly and increasingly prosperous is ship and boat building, and especially the building of steam-launches, together with all the minor industries connected with docks and ship-yards, such as rope and sail-making.

The manufacture of cotton is a new industry, but one which may become one of the most important. The Hong Kong Cotton Spinning, Weaving, and Dyeing Company (Limited) commenced the erection of a large mill in 1898, which will provide for the working of 50,000 spindles. The building has now been completed, and 12,000 spindles are already at work. The engines and machinery have given full satisfaction, and the Chinese have shown much celerity and deftness in acquiring a knowledge of their work.

Some of the industries mentioned are carried on to a greater or less extent all over the Colony; many are confined to the City of Victoria; and there seems to be a tendency towards greater industrial activity in Kowloon. One industry—that of tanning—is practically confined to Kowloon.

Fisheries.

The number of fishing and other boats frequenting the harbour and bays of Hong Kong during the year under review may be roughly estimated at about 5,000. There are no means of ascertaining the proportions in which the different kinds of fish are caught, nor the quantities; and it is therefore impossible to give even an approximate value of the fishing industry.

(C.) AGRICULTURAL INDUSTRIES AND BOTANICAL STATIONS.

Beyond the cultivation of vegetable gardens there is practically no agricultural industry in the Colony.

In the botanical and afforestation department there is a Chinese staff of 53. The following statement shows the revenue of this department for the year :—

	$
Revenue from plant sales	674.46
„ „ loan of plants	202.02
„ „ forestry products ...	444.51
Total	$1,320.99

There were 33,923 new trees planted in different localities. Grass-fires, which have proved so destructive to trees and shrubs in the past, were greater in number than usual, owing to the dryness. There were no less than 16 between October 20th and December 23rd. Ten fires destroyed 3,285 trees.

Gardening, a minor industry which is eminently adapted to the Chinese, is always improving. New kinds of trees and shrubs have been introduced, often by means of a system of exchange with other botanical stations. Fruit is largely cultivated.

(D.) LAND GRANTS AND GENERAL VALUE OF LAND.

—The following table gives particulars of land sales, extensions and grants on short leases :—

—	No. of Lots.	Area in Square Feet.	Premium.	Crown Rent.
			$	$
Sales by auction	24	245,131	107,127.00	2,282.00
Extensions granted ...	18	402,451	30,260.68	1,454.68
Grants on short leases ...	13	152,356	—	1,332.00
Total		799,938	137,387.68	5,068.68

21·26 acres of land were surveyed in connection with the issue of leases and re-adjustment of boundaries; 5·61 acres were surveyed in connection with land sales; 2·37 acres in connection with extensions, and 1·37 acres in connection with grants on short leases.

The sales of Crown land were considerably short of the estimate for the year, owing to the few applications for land in the Taipingshan resumed area. Only five lots were sold, at prices varying from $4.13 to $2.00 a foot. Elsewhere there was considerable demand for land, and prices went up considerably. The price of building lots between Kennedy Road and Bowen Road went up from 6 to 12 cents a foot, and in one case even 25 cents a foot was paid. In Kowloon there was also considerable demand, and as much as 80 cents a foot was realised for lots in Yaumati.

A considerable area of land at Causeway Bay has been reserved for the purpose of a public recreation ground; whilst in Kowloon, a hill known as the Hill of the Emperor of the Sung Dynasty, which has some Chinese historical associations, has also been reserved.

HONG KONG, 1898.

(E.) SHIPPING.

—	1897.		1898.		Increase in 1898.		Decrease in 1898.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
Entered:								
Steamers in - - - - - -	3,071	4,262,283	3,338	4,750,148	267	487,865	—	—
River steamers in - - - -	1,547	1,694,077	1,975	1,768,489	428	74,412	—	—
Sailing vessels in - - - -	356	107,280	226	121,065	—	13,785	130	—
Junks in - - - - - -	33,739	1,904,966	34,276	2,008,572	537	103,606	—	—
Total - - - -	38,713	7,968,606	39,815	8,648,274	1,102	679,668	130	—
					130			
				Nett Increase	972	679,668		
Cleared:								
Steamers out- - - - -	3,067	4,263,453	3,319	4,728,952	252	465,499	—	—
River steamers out - - -	1,548	1,690,644	1,970	1,765,555	422	74,911	—	—
Sailing vessels out - - -	355	106,862	230	118,524	—	11,662	125	—
Junks out - - - - - -	33,610	1,908,609	34,295	2,004,475	685	95,866	—	—
Total - - - -	38,580	7,969,568	39,814	8,617,506	1,359	647,938	125	—
					125			
				Nett Increase	1,234	647,938		
				Grand Total Entered and Cleared, 1897 - -	77,293	15,938,174		
				" " " " 1898 - -	79,629	17,265,780		
				Nett Increase in Ships and Tonnage -	2,336	1,327,606		

Hong Kong,
1898.

Comparative Statement of Total Shipping Entered and Cleared: 1894–1898 *inclusive.*

—	1894.		1895.		1896.		1897.		1898.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
Total Entered and Cleared	62,791	14,248,670	73,761	15,632,113	80,463	16,515,953	77,293	15,938,174	79,629	17,265,780

HONG KONG, 1898.

Analysis of Shipping Entered and Cleared : 1897 *and* 1898.

—	1897.		1898.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British	6,783	8,268,766	7,456	8,705,648	673	436,882	—	—
Foreign:								
Chinese junks	67,349	3,813,575	68,571	4,013,047	1,222	199,472	—	—
German	1,364	1,637,571	1,486	1,789,575	122	152,004	—	—
Japanese	304	599,276	481	1,005,455	177	406,179	—	—
Chinese	396	511,508	424	523,667	28	12,159	—	—
Norwegian	285	288,994	410	377,893	125	88,899	—	—
French	290	341,564	314	351,796	24	10,232	—	—
American	226	148,756	231	179,534	5	30,778	—	—
Austrian	54	133,188	51	132,395	—	—	3	793
Danish	145	70,810	137	86,451	—	15,641	8	—
Italian	28	39,414	28	39,578	—	164	—	—
Hawaiian	8	16,512	14	27,710	6	11,198	—	—
Dutch	8	6,576	12	17,678	4	11,102	—	—
Russian	10	29,170	4	7,796	—	—	6	21,374
Belgian	—	—	2	4,348	2	4,348	—	—
Spanish	11	4,816	6	2,591	—	—	5	2,225
Siamese	6	3,242	2	618	—	—	4	2,624
Swedish	26	24,436	—	—	—	—	26	24,436
Total	77,293	15,938,174	79,629	17,265,780	2,388	1,379,058	52	51,452
Deduct Decrease					52	51,452		
Net Increase					2,336	1,327,606		

The nationalities in this table are arranged according to the relative amounts of tonnage carried under the various flags in 1898. As compared with the figures of 1897, it will thus be seen that four countries, Norway, Hawaii, Holland, and Belgium, have improved their relative positions, and that France and Russia have gone down one and two places respectively. Sweden in 1898 deserted the port altogether, taking 24,436 tons with her. A very noteworthy increase in tonnage was achieved by Japan, the shipping of which country sprang from less than 600,000 tons in 1897 to over a million tons in 1898. The Norwegian increase is also noteworthy. No other features call for special remark. British shipping and tonnage preserve their supremacy, the tonnage being nearly quintuple that of the next nationality (omitting the Chinese junk trade), namely, Germany.

III.—LEGISLATION.

There were no important changes in the law of the Colony enacted in 1898.

The law relating to trade marks was amended to allow of interested parties residing outside Hong Kong obtaining due notice of applications for registration, while the Liquor License Ordinances were re-enacted with some slight changes.

Ten Ordinances of the thirty passed related to naturalization, while most of the rest consisted of slight amendments to the existing laws. Two, Nos. 3 and 14, were intended to provide for the more effectual punishment of bribery and conspiracy in connection with Government officers and the course of public justice respectively.

IV.—EDUCATION.

The total number of educational institutions open during 1898 amounted to 109 (of which 93 were grant-in-aid schools and 16 were Government schools), with an enrolment of 8,522 scholars, as compared with 109 schools and 7,999 pupils in 1897.

No material change has taken place as regards the nature of the education given in the local schools.

QUEEN'S COLLEGE.

The total number on the roll for 1898 was 1,344, or 132 in excess of 1897. Over 120 boys had to be turned away owing to lack of accommodation. In order to make the accommodation equal as far as possible to the demand for admission, the rate of fees was increased from the 1st April. The total amount of fees was $21,593, being an increase of $8,138 upon the receipts for 1897, and more than double the receipts for 1896. Owing to various departmental economies, and to a reduction of $1,200 in the Crown Agents' account, the actual nett expenditure amounted to $16,303.91, as compared with $25,623.52 in 1897. Two additional English masters and one native mathematical master were appointed during the year.

The results in the Oxford locals showed marked improvement, the percentage of passes being 59 instead of 18 in 1897.

The lower and preparatory schools were examined by the headmaster, and out of 550 boys, 457 or 83 per cent. passed. The upper school was examined by independent examiners appointed by the Government, and showed satisfactory results.

V.—GOVERNMENT INSTITUTIONS.

(A.) HOSPITALS.

There are several hospitals in the Colony, of which only one, the Civil Hospital, is entirely a Government institution, though the Tung Wa Hospital is also under Government supervision. These, of course, are in addition to the military and prison hospitals. Further information as to the cases treated in the two hospitals named will be found under the head of Public Health—VII. (B.).

Among the patients treated by the Government Civil Hospital there were 469 deaths, of which 103 were British and foreign and 366 Chinese. 319 of the deaths recorded were due to plague. The Tung Wa Hospital treated 3,019 in-patients and 90,880 out-patients. The total number of deaths was 1,187, of which 243 were due to plague and 280 to phthisis. The percentage of deaths to admissions was 35·05, as against 35·24 in 1897 and 38·80 in 1896. It may be mentioned that the provision of free burial and the restoration of destitutes to their homes are regarded as two of the most important functions of this institution.

(B.) ASYLUM.

The lunatic asylum is managed in connection with the Government Civil Hospital, and is divided into European and Chinese wards. There were 82 patients admitted in 1898, of whom 73 were cured and relieved. Six patients died during the year.

HONG KONG, 1898.

(C.) POOR HOUSES.

There is no poor house in the Colony, but the Tung Wa Hospital does good work in relieving and sending destitutes back to their native villages.

(D.) REFORMATORIES.

Hitherto there has been no properly organized reformatory in Hong Kong, but the Government has for some time been engaged in making arrangements for the establishment of such an institution in the near future. A building has been generously presented by Mr. Belilios, which is in course of construction, and should be ready for occupation before the middle of 1900.

(E.) SAVINGS BANKS.

The Hong Kong Savings Bank, started on 1st May, 1885, is conducted by the Hong Kong and Shanghai Banking Corporation, and receives deposits from $1 up to $250 in any one day, with a maximum of $2,500 in any one year. The deposits bear interest at the rate of 3½ per cent. per annum on the daily balance. Withdrawals are paid on demand, upon production of the passbook by the account holder, or his duly appointed agent.

The following figures will give an idea of its growth:—

On 30th June, 1886, the deposits amounted to $122,000.

On 30th June last there were over 3,000 accounts with a total of some $1,100,000, as against $900,000 on the corresponding date last year and $800,000 in 1897.

Correspondence relating to business of the Hong Kong Savings Bank, if marked "On Hong Kong Savings Bank Business," is forwarded free of charge by the various British post offices in Hong Kong and China.

(F.) SOCIETY FOR PROTECTION OF WOMEN AND GIRLS.

The Pó Léung Kuk is a society, under the supervision of Government, for the protection of women and girls. The number of cases dealt with by the society during 1898 was 412, which is 27 more than the previous year. The receipts of the working committee amounted during 1898 to $\$5,054.17\frac{9}{10}$, and the expenditure came to $\$4,778.72\frac{5}{10}$, leaving a balance in hand of $\$275.45\frac{4}{10}$. The society co-operates with the benevolent societies of Canton, Macao, and other places in restoring women and girls to their relations, and in other ways. No money grant is received from the Government.

VI.—JUDICIAL STATISTICS.

(A.) POLICE.

The total strength of the Police Force during 1898 was as follows:—

Europeans	112
Indians	226
Chinese	292
Total ...	630

Besides these there are a captain superintendent and deputy superintendent, a paymaster, three clerks, and 43 coolies. This brings the total number of the entire staff up to 679.

Several rewards were granted to members of all three contingents for intelligence and promptness. The Chinese constables, it is remarked, never appear to fail in courage.

Several of the staff were detailed for plague services. Seven of the force died of plague during the year, but only one of these was on plague duty. Altogether there were 19 deaths, of which 12 were among the Chinese, 4 among the Europeans, and 3 among the Indians.

(B.) PRISON.

The total number of prisoners admitted to Victoria Gaol in 1898 was 5,427, as compared with 5,076 in 1897. The daily average in the prison was 511, as compared with 462 in 1897. The offences of a criminal nature numbered 3,590; the offences of a non-criminal nature, 1,837. Offences against prison discipline numbered 4,038, as against 2,619 in 1897, being an increase of 2·24 per head of population. This increase is attributed by the superintendent partly to the interruption of regular routine work and the placing of a larger number of prisoners in association during the progress of structural alterations, and partly to numerous resignations in the Indian staff giving rise to the employment of inexperienced officers and consequent relaxation of discipline.

The capacity of the gaol accommodation extends to 557 prisoners; yet on several occasions during 1898 it was found necessary to accommodate a slightly larger number, and on one occasion room had to be found for as many as 589. It is evident that with a growing population and the acquisition of new territory the question of increasing the gaol accommodation for the Colony will become a pressing one.

The prisoners are employed on productive labour, on unproductive labour, and on gaol services. The value of the productive labour and that utilised on prison services is returned at $9,919.45.

The establishment consists of 29 Europeans and 44 Indians. Besides these there are a superintendent, a chief warder, clerical staff, and servants.

(C.) Criminal Statistics.

The following table will show the total number of cases reported to the police during each of the past five years :—

—	1894.	1895.	1896.	1897.	1898.	Increase in 1898.
Serious cases reported	2,575	2,767	2,314	2,896	2,935	39 or 1·34 °/o
Minor " "	6,062	10,608	10,661	6,733	7,661	928 or 13·78 °/o
Total	8,637	13,375	12,975	9,629	10,596	967 or 10·04 °/o

In "serious" offences reported, the year 1898 shows an increase over 1897 in the following crimes :—"Unlawful possession" (38 cases), "larceny" (45 cases), "burglary" (11 cases), and "assault with intent to rob" (1 case). But against these increases must be set decreases in the following :—"Murder" (7), "robbery" (7), "kidnapping" (19), and "other felonies" (23).

HONG KONG,
1898.

The statistics of minor offences reported for the last two years may be tabulated as follows:—

—	Cases Reported in 1897.	Cases Reported in 1898.	Increase.	Decrease.
Assault	1,404	1,765	361	—
Gambling	145	265	120	—
Miscellaneous ...	4,122	4,531	409	—
Drunkenness ...	132	161	29	—
Nuisances	780	939	159	—
No light or pass ...	150	—	—	150
Total ...	6,733	7,661	1,078	150
Deduct Decrease			150	
Nett Increase			928	

The following tabular statement shows the number of persons convicted and discharged on account of all offences, serious and minor, during each of the last five years:—

Year.	Convicted.	Discharged.
1894	7,379	1,042
1895	9,625	1,379
1896	8,698	841
1897	8,496	1,110
1898	10,523	808

The following is a comparative statement of the various classes of convictions in the five years ending with 1898 :—

Serious Offences.

—	1894.	1895.	1896.	1897.	1898.
Murder	3	—	2	4	2
Robbery	3	1	3	9	15
Burglary and larceny in dwelling-house.	5	30	30	32	29
Assault with intent to rob...	1	—	—	—	2
Kidnapping	23	42	52	55	63
Unlawful possession ...	272	433	298	386	454
Larceny	878	937	970	954	1,042
Other felonies	39	35	23	57	47
Total	1,224	1,478	1,378	1,497	1,654

Minor Offences.

—	1894.	1895.	1896.	1897.	1898.
Assault	1,151	1,503	1,441	1,795	2,380
Gambling	843	676	732	666	1,077
Miscellaneous	4,161	5,968	5,147	4,538	5,412
Total	6,155	8,147	7,320	6,999	8,869

VII.—VITAL STATISTICS.

(A.) POPULATION.

The population of the last census, which was taken in 1897, was 246,880. As the returns of the 1891 census gave the figures at 221,441, there is thus an increase of 25,439.

It is estimated that in the middle of 1898 the population stood as follows :—

Non-Chinese civil population	8,732
Chinese population :—	
City of Victoria, including Peak and Stonecutters' Island	165,900
Villages in Hong Kong and Kowloon	39,940
Floating population	33,370
Total...	239,210
Army	3,073
Navy	3,385
Total estimated population of the Colony	254,400

(B.) PUBLIC HEALTH.

The total number of deaths during 1898 was 5,674, showing a death-rate of 22·3. Of the 5,674 deaths recorded, 1,175 were from plague; therefore excluding deaths from plague the death-rate for the year was only 17·7.

The deaths were distributed as follows :—

Non-Chinese :—			
White ...	200,	showing a death-rate of	16·2
Coloured ...	91	„ „	33·6
Chinese ...	5,383	„ „	22·5
Total ...	5,674	Average death-rate ...	22·3

The deaths in the army numbered 32, of which 23 were British and the rest Indian; in the navy there were 11 deaths among British seamen. Seven per 1,000 of the deaths among British troops were due to malarial diseases alone. Two Indian soldiers and one British soldier died of plague. Of this disease there was a serious outbreak in the spring, and of the 1,320 cases reported 1,175 proved fatal. This represents a mortality of 88·1 per cent. There was also an outbreak of small-pox. From enteric fever the total deaths numbered 23, which represents a mortality of 44·2 per cent. The mortality among the European cases was 35·1 per cent.

(C.) SANITATION.

Sanitary conditions are still far from perfect, and the Government recognises that sanitation is one of the most important matters that can engage its attention. There has been an improvement during the past four or five years, owing to a strict enforcement of the Public Health Ordinance (No. 24 of 1887) and the Insanitary Properties Ordinance (No. 15 of 1894). But this improvement cannot be said to be universal, and it is to be feared that many of the Chinese dwellings in the city are structurally in a very insanitary condition. There was an Insanitary Properties Commission appointed during the year, and as a result of its enquiries a number of recommendations were submitted to the Government. These recommendations, together with amendments suggested by the Board, will be embodied in a Bill which, when it becomes law, will probably do much for the amelioration of the present unsatisfactory state of affairs.

It has recently been proposed to erect a refuse destructor of the type now common in many English cities, whereby the town refuse may be destroyed in forced draught furnaces instead of being conveyed to dumping grounds as at present. Estimates have been received from two English firms, and the Government hopes to find an early opportunity of giving this matter the attention which it deserves.

(D.) CLIMATE.

1. *Rainfall.*—The total rainfall for the year was 57·025 inches. In 1897 it was 100·03. The wettest months were June (14·25 inches) and August (9·9 inches). The driest month was December, with 0·025 inches. The greatest rainfall on any day was that on August 25th (2·585 inches). On 213 days there was no rain. The relative humidity of the atmosphere throughout the year was 74·6 per cent.; December was lowest with 52 per cent., May and June were highest with 83 per cent. The average daily sunshine throughout the year was 5·8 hours, as compared with 4·78 in 1897. On 41 days only no sunshine was recorded.

2. *Temperature.*—The average monthly temperature throughout the year was 72·2° F., as compared with 71·7° F. in 1897. The maximum monthly temperature was in July, with 81·7° F.; the minimum in January, with 60·1° F. The highest recorded temperature was on May 30th, with 91·5° F.; the lowest on January 25th, with 46·1° F.

3. *Direction and Force of Wind.*—The typhoons of 1898 were above the average as regards both number and intensity. Telegraphic connections were interrupted 12 times, as well as during some thunderstorms. The maximum wind velocity for any month was 62 in August; the minimum 26 in September.

VIII.—POSTAL, TELEGRAPH, AND TELEPHONE SERVICES.

(A.) POSTAL SERVICE.

As compared with 1897, the amount of international correspondence shows an increase of 734,460 covers; the local correspondence—by which is meant correspondence with the agencies where Chinese post offices are now established—shows an increase of 26,930 covers. The sale of stamps increased to the extent of $51,736.27. The nett increase of revenue derived from all postal sources in 1898 as compared with 1897 was $68,563.50. The corresponding increase in expenditure was $34,480.83. The balance of revenue over expenditure was $95,618.47, an increase of $34,082.27 above that shown in 1897.

The establishment of penny postage, together with the reduction of the local rate from 10 cents to 4 cents per half ounce with the United Kingdom, its dependencies, and Canada, has been estimated to cause a probable loss of $30,000 during the current year. The Postmaster-General reports that it has already enhanced the volume of correspondence very largely.

Branch post offices were opened during 1898 at Kowloon and West Point.

The money passing through the Money Order Office was about the same in 1898 as in 1897, namely, $521,711 in the latter year and $527,413 in the year that has passed. The nett commission collected, however, was $360 more in 1898 than in 1897.

The following table of revenue for the last ten years shows the increase in postal business that has taken place :—

Year.	Amount.	—
	$	$
1889 ...	142,309.11	20,818.15 Deficit.
1890 ...	148,459.98	5,458.16 Surplus.
1891 ...	142,770.03	2,605.02 „
1892 ...	157,699.03	3,450.73 „
1893 ...	167,596.77	14,309.81 „
1894 ...	192,172.42	8,820.27 „
1895 ...	244,449.71	50,209.44 „
1896 ...	245,280.33	56,999.16 „
1897 ...	268,616.49	61,536.20 „
1898 ...	337,179.99	95,618.47 „

The working expenses of 1889 were only $15,666.25 less than those of 1898 ; yet the deficit of $20,000 in the former year has become a surplus of $95,000 in the latter. In ten years this department has paid into general revenue $278,189.11.

The Postmaster-General reports that he is able to speak highly of most of the seniors on the staff, but that the juniors lack a sense of responsibility, and it is doubtful if many of them intend to remain in the service.

HONG KONG,
1898.

IX.—MILITARY FORCES AND EXPENDITURE.

(A.) REGULAR FORCES.

The following table shows the numbers and nature of the forces employed in the Colony during 1898 :—

CORPS.	EUROPEAN.			INDIAN.			CHINESE.	TOTALS.
	Officers.	Warrant Officers.	N.C.O.'s and Men.	Officers.	Warrant Officers.	N.C.O.'s and Men.	N.C.O.'s and Men.	
General Staff	5	—	—	—	—	—	—	5
Garrison Staff	—	—	1	—	—	—	—	1
Royal Artillery	16	1	404	—	—	—	—	421
Hong Kong-Singapore Battalion, R.A. ...	10	—	8	7	—	434	—	459
Royal Engineers...	10	1	171	—	—	—	—	182
Chinese Sub.-Miners	—	—	—	—	—	—	69	69
1/K.O. Royal Lancr. Regiment	25	2	968	—	—	—	—	995
Army Service Corps	2	—	5	—	—	—	—	7
Hong Kong Regiment	10	—	—	17	—	983	—	1,010
Royal Army Medical Corps	9	—	29	—	—	—	—	38
Ind. Sub-Med. Department	—	—	—	—	1	2	—	3
A.O.D. and Corps	6	1	14	—	—	—	—	21
A.P.D. and Corps	3	—	6	—	—	—	—	9
Educational	1	1	—	—	—	—	—	2
Total	97	6	1,606	24	1	1,419	69	3,222

(B.) VOLUNTEER FORCES.

The field battery numbered 117, of whom 93 were efficients; while the figures for the Machine Gun Company were 58 and 43 respectively.

X.—GENERAL OBSERVATIONS.

The most important event of the year 1898 as regards this Colony was the grant by China of a lease for 99 years of a portion of the mainland and some of the surrounding islands to Great Britain as an extension of the Colony. The Honourable J. H. Stewart Lockhart, C.M.G., Colonial Secretary, who was on leave in England, returned to Hong Kong, and in August visited the territory thus granted, upon the capabilities of which he made an exhaustive report. The occupation of the extended area was not effected during the year under review, and will be more properly dealt with in the report on the Blue Book for the current year.

The year 1898 witnessed a recurrence of the plague, which carried off 1,175 people. The proportion of Europeans attacked was somewhat greater than during the preceding epidemic. So far medical science appears to be equally at fault as to its prevention or its cure. The most active measures were taken by the health officers and the Sanitary Board, but without any apparent effect upon the course of the epidemic, which appeared, increased, declined, and disappeared synchronously with the epidemic in Canton and other towns where no attempt whatever was made to check its ravages. The terror inspired by the epidemic of 1894 among the Chinese has apparently ceased, as there was no exodus during 1898. The coolies, who are almost exclusively the victims, seem to accept the possibilities with stoical equanimity.

Emigration decreased as compared with 1897. At the Emigration Office 8,497 women and children were examined under the "Chinese Emigration Consolidation Ordinance, 1889," and allowed to proceed to their destination. In 1897 the numbers were 8,501. Immigration from China to the Colony is considerable, and among the immigrants, as is inevitable, there are many representatives of the vicious and criminal classes of the mainland, who add considerably to the difficulties with which the Hong Kong police have to contend.

The increase of piracy on the West River is a serious hindrance to the advancement of our trade, and the time is coming when this question must be taken up if our trade is not to be strangled. It is at present one of the most important factors in the future condition of the trade of this Colony with the West River.

HONG KONG, 1898.

The public works undertaken during the year have been extensive, and are expected to be of permanent value. The Praya Reclamation is still being proceeded with, and is adding to the beauty as well as to the value of the City of Victoria.

Rents, wages, and the price of food have for some time past been on a rapid increase. The wages of coolies are about seven or eight dollars a month, and of house servants twelve to twenty, whereas in Canton the same class of servants can still be hired for six dollars and seven dollars respectively.

The climate of Hong Kong for five months in the year is very good, though the temperature is rather subject to sudden fluctuations. The summer months are trying to Europeans, owing to the damp heat.

It does not appear that there are very many available openings for white labour; and it would not be advisable to emigrate to this Colony without some definite prospect of employment.

Openings for the investment of capital, if we except trade investments, have perhaps hitherto been rather restricted; but in view of the development of the Kowloon Extension there will probably be openings for capital in the future.

The social condition of the Colony is fairly satisfactory. No complaint can be made of the attendance of the Chinese at the numerous schools which exist primarily for their benefit, and all the pupils seem anxious to acquire a good working knowledge of the English language.

The year 1898 was marked by the retirement of my predecessor, Sir William Robinson, G.C.M.G., who is to be congratulated on the amelioration in the general condition of the Colony during his administration of the Government. He left the Colony in February, 1898, and from that date until my arrival towards the close of the year the Government was administered by Major-General Wilsone Black, who, in his capacity as General Officer Commanding the Forces, reached the limit of his term of office at the same time. He was succeeded in his military command by Major-General Gascoigne, C.M.G., who arrived in the Colony on Christmas Day. During a great part of the year the Colonial Secretary, Mr. J. H. Stewart Lockhart, C.M.G., was absent from his post and his place was taken, as Acting Colonial Secretary, by Mr. T. Sercombe Smith. The only other change of importance in the public service of the Colony consisted in the resignation of Mr. H. E. Wodehouse, C.M.G., after a long and meritorious service in various offices in the Civil Service.

I arrived in Hong Kong on the 25th November and assumed the administration of the Government. I am informed on what I consider excellent authority that the commercial condition of the Colony was never more satisfactory. The value of property is steadily increasing, and of the companies quoted in the weekly share lists more than 80 per cent. of the shares are quoted above par. What the ultimate results of the political events in the Far East during the year 1898 may be as regards the trade of this Colony I know too little at present to forecast, but I see no ground for apprehension that Hong Kong will not continue to enjoy in the future the prosperity that the energy of her merchants has won for her in the present.

I have, &c.,

HENRY A. BLAKE,

Governor.

LONDON:
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1899.

COLONIAL REPORTS—ANNUAL.

No. 314.

HONG KONG.

REPORT FOR 1899.

(For Report for 1898, *see* No. 282.)

Presented to both Houses of Parliament by Command of Her Majesty.
January, 1901.

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COLONIAL REPORTS.

The following, among other, reports relating to Her Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
289	Niger Coast Protectorate	1898–99
290	British Guiana	1897–98 & 1898–99
291	Falkland Islands	1899
292	British New Guinea	1898–99
293	Bermuda	1899
294	Barbados	"
295	Malta	"
296	Fiji	"
297	Turks Islands	"
298	Bahamas	"
299	Sierra Leone	"
300	Gambia	"
301	Seychelles	"
302	Mauritius and Rodrigues	"
303	Trinidad and Tobago	"
304	Straits Settlements	"
305	Gibraltar	"
306	Gold Coast	"
307	Ceylon	"
308	Leeward Islands	"
309	St. Helena	"
310	British Honduras	"
311	St. Lucia...	"
312	St. Vincent	"
313	Basutoland	1899–1900

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast...	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Conditions during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.
13	Cook Islands	Trade, 1899.
14	Bahamas	Fibre Industry.
15	Canada	Legal Status of British North American Indians.

No. 314.

HONG KONG,
1899.

HONG KONG.

(For Report for 1898, *see* No. 282.)

GOVERNOR SIR H. A. BLAKE to MR. CHAMBERLAIN.

Government House,
Hong Kong,
6th October, 1900.

SIR,

I HAVE the honour to transmit to you the Blue Book for 1899, and to submit for your information the following general Report on that year:—

I.—FINANCES.

During the year 1899 the Actual Revenue exceeded the Estimated Revenue by $290,622·76, exclusive of the amounts derived from Land Sales and the Water Account. If these sums are included, the excess of actual over estimated revenue was $724,006·25. The Expenditure exceeded the Estimate by $467,369·80. This is exclusive of the amount spent on Public Works Extraordinary, which was considerably less than had been estimated. The total excess of actual over estimated expenditure was, therefore, only $288,520·56. The excess was due to expenditure in connection with the New Territory which amounted to $233,000. Of this, $47,000 was expended on account of the Police Establishment, while $112,000 was spent on Roads and Police Stations.

The amount received from Land Sales was very large, being more than double the estimated receipts from this source. The excess of actual over estimated revenue under this head was $417,824·72.

Only $7,273·03 was derived in revenue from the New Territory, the collection of Crown rent which will be the principal source of revenue not having been begun.

The following tables show the heads of Revenue and Expenditure, from which it will be seen that the Revenue for 1899 has exceeded the Expenditure by $447,350·89. The figures are compared with those of the four previous years, and the results show that practically without the imposition of any additional taxation the financial resources of the Colony have continued to show a gratifying elasticity:—

Hong Kong, 1899.

(A.) General Revenue and Expenditure.

Revenue.

—	1898.	1899.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Light dues	51,645.15	52,406.93	761.78	—
Licences and internal revenue not otherwise specified	1,459,095.90	1,559,387.99	100,292.09	—
Fees of court—payments for specific purposes, and reimbursements in aid.	225,356.86	240,084.23	14,727.37	—
Post office	337,179.99	317,909.36	—	19,270.63
Rent of Government property—land and houses ...	401,114.11	434,487.00	33,372.89	—
Miscellaneous	197,715.79	261,484.25	63,768.46	—
Total, exclusive of land sales and water account $	2,672,107.80	2,865,759.76	212,922.59	19,270.63
Land sales	133,318.87	617,824.72	484,505.85	—
Water account	112,732.57	126,558.77	13,826.20	—
Total ... ... $	2,918,159.24	3,610,143.25	711,254.64	19,270.63
		Deduct Decrease ... $	19,270.63	
		Nett Increase ... $	691,984.01	

Expenditure.

—	1898.	1899.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Charge on account of public debt...	163,805.03	158,819.38	—	4,985.65
Pensions	164,210.26	170,646.26	6,436.00	—
Governor and Legislature	51,809.58	48,889.22	—	2,920.36
Colonial Secretary's department	34,862.11	32,187.34	—	2,674.77
Audit department	7,386.61	9,518.72	2,132.11	—
Treasury	22,409.02	22,381.83	—	27.19
Public Works department	89,574.10	93,909.77	4,335.67	—
Post office	241,561.52	237,902.76	—	3,658.76
Registrar-General's department	14,994.92	14,448.22	—	546.70
Harbour Master's department	65,835.25	62,933.00	—	2,902.25
Lighthouses	14,934.94	11,864.44	—	3,070.50
Observatory	12,728.85	13,068.32	339.47	—

Expenditure—continued.

—	1898.	1899.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Stamp office	3,615.80	3,689.97	74.17	—
Botanical and Afforestation department...	17,842.44	18,293.87	451.43	—
Legal departments	76,092.45	83,711.52	7,619.07	—
Ecclesiastical department	1,815.00	1,810.00	—	5.00
Education	72,420.12	75,152.57	2,732.45	—
Medical departments	115,502.48	113,663.19	—	1,839.29
Magistracy	21,405.00	21,353.58	—	51.42
Police	222,163.90	263,965.71	41,801.81	—
Gaols	57,954.61	58,447.14	492.53	—
Fire brigade	14,920.09	17,244.42	2,324.33	—
Sanitary department	101,613.41	122,605.05	20,991.64	—
Charitable allowances	4,034.79	4,101.64	66.85	—

Transport	9,400.92	9,636.96	236.04	—
Miscellaneous services	290,808.49	513,033.54	222,225.05	—
Military expenditure	519,274.89	649,388.53	130,113.64	—
Public works recurrent	194,447.57	198,464.65	4,017.08	—
Public works extraordinary	234,381.05	131,660.76	—	102,720.29
Total ... $	2,841,805.20	3,162,792.36	446,389.34	125,402.18
Deduct Decrease ... $			125,402.18	
Nett Increase ... $			320,987.16	

	$
Revenue for 1899	3,610,143.25
Expenditure for 1899	3,162,792.36
Surplus	$447,350.89

HONG KONG,
1899.

Total Revenue and Expenditure for the Five Years : 1895–1899.

—	1895.	1896.	1897.	1898.	1899.
	$	$	$	$	$
Revenue	2,486,228.89	2,609,878.94	2,686,914.70	2,918,159.24	3,610,143.25
Expenditure	2,972,373.01*	2,474,910.37	2,641,409.71	2,841,805.20	3,162,792.36
Surplus or deficit	— 486,144.12	+ 134,968.57	+ 45,504.99	+ 76,354.04	+ 447,350.89

* Includes expenditure of $820,000 on account of resumption of insanitary property.

There was in 1899 an additional expenditure of $121,240.10 on public works extraordinary which was chargeable against the new loan. The amount so expended was less than the estimate by $62,459.90, but was more by a small amount than the balance of the loan, which is, therefore, now wholly expended.

(B.) CHANGES IN TAXATION.

There were no important changes in taxation.

(C.) ASSETS AND LIABILITIES.

ASSETS.	$ c.	LIABILITIES.	$ c.
Balance in bank at current account	40,980.16	Crown Agents' drafts in transit	20,000.00
Coins in transit	200,000.00	Military contribution	53,581.78
Arrears of taxes	293.47	Deposits not available	443,664.77
" " Crown rent	38,242.60	Refund of taxes	2,300.00
" " " New Territory	40,000.00	Officers' remittances	22,505.81
" " miscellaneous	1,517.41	Money order remittances	9,342.30
Advances	124,843.54	Transit charges, General Post Office	6,360.00
Suspense house service	665.95	Civil pensions	19,100.00
Profit Money Order Office	8,000.00	Police "	13,400.00
		Private drainage works	292.36
		Public works	37,224.70
TOTAL ASSETS* ... ... $	454,543.13	Miscellaneous	14,016.87
		Suspense account	115,809.52
BALANCE ... ... $	311,773.32	Balance overdrawn, Crown Agents	8,718.34
$	766,316.45	TOTAL LIABILITIES ... ... $	766,316.45

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* Not including $831,109.92 value of silver at Mint.

(D.) PUBLIC DEBT.

The nature of the loans contracted by the Colony and the conditions governing their repayment may be ascertained by reference to I (D) of the Blue Book Report for 1898, page 3.

Loan Account.

Dr.	£	*s.*	*d.*	*Cr.*	£	*s.*	*d.*
To Inscribed Stock Loan at 3½ °/o interest, to be paid off on the 15th April, 1943.	341,799	15	1	By Sinking Fund	12,625	18	11

(E.) CURRENCY.

The currency of the Colony remains unchanged.

TRADE, AGRICULTURE, AND INDUSTRIES.

(A.) IMPORTS AND EXPORTS.

The following table shows the principal articles of import in the years 1898 and 1899 in vessels of European construction:—

Articles.	1898.	1899.	Increase.	Decrease.
	$	$	$	$
Beans	11,092	8,110	—	2,982
Bones	500	1,800	1,300	—
Coal	817,967	687,557	—	130,410
Cotton Yarn and Cotton ...	36,611	34,470	—	2,141
Flour	103,544	101,939	—	1,605
Hemp	55,160	32,868	—	22,292
Kerosine (bulk)	67,362	61,027	—	6,335
„ (case)	59,115	80,588	21,473	—
Lead	4,200	6,468	2,268	—
Liquid Fuel	2,150	—	—	2,150
Opium	2,638	2,775	137	—
Pitch	—	—	—	—
Rattan	6,441	3,998	—	2,443
Rice	747,395	771,830	24,435	—
Sandalwood	2,055	1,282	—	773
Sulphur	535	506	—	29
Sugar	267,422	183,162	—	84,260
Tea	6,554	6,287	—	267.
Timber	46,599	61,110	14,511	—
General	1,151,149	1,135,828	—	15,321
Total	3,388,489	3,131,605	64,124	271,008
Transit	2,020,322	1,957,703	—	62,619
Grand Total ...	5,408,811	5,139,308	64,124	333,627
Nett ... ... $				269,503

The import of coal had increased in an abnormal manner in 1898, which accounts for the large falling off in 1899.

The totals in tons of imports and exports for the last five years are as follows:—

—	1895.	1896.	1897.	1898.	1899.
Imports ...	3,485,504	3,425,436	3,414,728	4,077,740	3,915,481
Exports ...	2,704,974	2,661,873	2,787,535	3,015,263	2,949,342
In Transit ...	1,623,883	1,845,400	1,852,462	2,020,322	1,957,703

The following table shows the imports and exports of junks in foreign and local trade during 1898 and 1899:—

—	1898.	1899.
Imports	689,251	783,876
Exports	774,069	945,446

The principal exports are kerosine and rice.

While British goods hold their own in the main with those of foreign manufacture, the following items may be specially noted:—

Cements.

Very little British cement is now imported, the Hong Kong manufacture being now chiefly used all over the East, with small quantities of Belgian make.

Rope.

The local company's article now entirely supplies the wants of the local market, to the exclusion of other manufactures, and in addition large quantities of the rope are shipped to all Eastern ports, and Australia.

Coal.

Japan imports of coal supply practically all the local market, both for steamer and manufacturing uses. Cardiff coal is imported almost solely for Admiralty use.

Matches.

These goods are now imported entirely from Japan; a few local companies also make for this market.

Metals.

The principal demand in this market is for Belgian iron, owing to its cheapness; only small quantities of British are imported in comparison with Belgian. Americans will doubtless be very soon severe competitors for this trade, the facilities they have for manufacturing allowing them to import their metals as cheaply as from Belgium.

Wire Nails.

These goods up till two years ago were imported entirely from Germany, now the trade is almost entirely done from the United States, their nails being fully as good as, and cheaper than, the German article.

Miscellaneous articles, including hardware of all kinds, glass, cutlery, beer, cotton hosiery, and woollen goods, come almost entirely from Germany, although America is now starting the importation of such also.

(B.) MINES, MANUFACTURES, AND FISHERIES.

There are no mines in the Colony.

The principal manufactures are:—

Two large sugar refineries, the products of which are exported to almost every part of the world. No figures are available to show their present position, but they are in a flourishing condition.

A rope manufactory, which entirely supplies the local market and does a large export business. The rope is made from the best Manila hemp.

A cement factory, with a branch for the manufacture of bricks and drain pipes. The cement of this company has practically ousted the British manufactured article from the local market, being used for civil and military works of all descriptions and by local engineers, architects, and contractors, and is extensively exported to Japan, Manila, Straits Settlements, Australia, and Pacific Coast Ports. The works were originally situated at Macao, but a large extension has now been made in the Colony and the output more than doubled. The price per barrel of 375 lbs. net weight is from $4·00 to $4·50 (silver). Bricks and pipes are largely used in the Colony and exported.

A cotton mill, which so far, however, has hardly realised expectations.

Engineering and shipbuilding firms to the number of eight, which between them constructed 116 vessels of various descriptions (principally steam vessels) of an aggregate tonnage of 5,965½ tons.

The principal of these firms is the Hong Kong and Whampoa Dock Co., which, besides constructing 21 vessels, docked 330 vessels of an average of 2,336 tons each during 1899, the largest vessel docked being H.M.S. Powerful. This firm employed a daily average of 4,510 workmen, and spent $1,225,280 in wages.

The boat building industry is also a very large one, and is carried on by numerous Chinese yards, boats being largely exported from here.

A paper factory. The paper made is for Chinese use and is largely exported to China.

The manufacture of preserved ginger, which was formerly confined to Canton, has assumed large dimensions in the Colony, the principal market being Great Britain. Some large factories have removed from Canton to this Colony.

There are three factories, on a very small scale, for the manufacture of Chinese fireworks. This is a large industry in Canton and neighbourhood, which the absence here of a duty on saltpetre and sulphur ought soon to attract to this Colony. Soy is another article the manufacture of which has been attracted to this Colony. There are five soap factories, the latest addition being under the management of a German firm; while for the manufacture of vermilion, which is exported to Bombay, Japan, and North China, there are seven small factories. With the acquisition of the New Territory, which affords room for expansion, manufactures in this Colony are likely to increase to a considerable extent in the near future.

Salt is manufactured at four places in the New Territory, the yearly output being about 4,466 tons, worth some $16,000, which in part supplies the local demands of the population, the fishing junks which keep the fish they catch while at sea in brine, and the various fishing stations where fish is salted and dried. A much larger quantity is, however, imported at certain places for the use of the fleets of fishing junks. The imported salt is also largely used for the salting and drying of fish, for which purpose it seems to be preferred to the locally manufactured salt. The manufacture of salt is an industry which is likely to increase and develop in the New Territory, and which is worthy of being encouraged seeing the important connection it has with the food supply of the Chinese, one of whose staple articles of food is salt fish.

Fisheries.

There are no fisheries of any importance. The local demand for salt and fresh fish is met by fleets of fishing junks and a large number of net stations, the fish that are required for salting being dried and salted on the beach.

(C.) AGRICULTURAL INDUSTRIES AND BOTANICAL STATIONS.

The principal agriculture in the New Territory is the cultivation of rice, which is almost entirely used for the consumption of the population, a small quantity being exported to the neighbouring towns in Chinese territory. It is estimated that there are 90,000 acres under rice cultivation.

The next most important agriculture is that of sugar. There are about 750 acres growing cane, which is crushed in 81 sugar mills of a very primitive nature scattered over the territory.

The total value of the sugar produced annually is about $175,000, rather more than half that sum being required to cover wages and other expenses of crushing.

A fourth of the sugar produced is used for local consumption, the rest being exported to Hong Kong and Canton.

New varieties of cane have been imported by the Botanical and Afforestation Department, which have been planted at certain places in the territory as an experiment.

Pine-apples are cultivated to a considerable extent and two factories, under Chinese management, in which they are canned are established in Hong Kong.

The annual output amounts to about 39 tons, of which a considerable quantity is sold locally, the rest being exported to England, America, Russia, and Formosa.

New varieties of pine-apple plants have been imported by the above-mentioned department and have been introduced into the districts where the fruit is cultivated.

Camphor trees are grown to some extent in the New Territory, and experiments are being made with a view to ascertaining the quality of the camphor that can be produced from them.

Land Grants and General Value of Land.

The following table gives particulars of land sales, extensions, and grants on short leases made during the year under review :—

—	No. of Lots.		Area in Square Feet.		Annual Crown Rent.		Premium.	
					$ c.	$ c.	$ c.	$ c.
Sales by Auction :—								
Island of Hong Kong	43	83	640,863	1,994,338	4,458.00	16,581.00	192,651.00	554,362.00
Kowloon Peninsula	40		1.353,475		12,123.00		361,711.00	
New Territory	0		0		0		0	
Extensions granted :—								
Island of Hong Kong	15	23	10.870	43,223	105.10	522.10	2,913.24	18,629.24
Kowloon Peninsula	8		32,353		417.00		15,716.00	
New Territory	0		0		0		0	
Grants on Short Leases, &c. :—								
Island of Hong Kong	54	168	104,649	173,069	489.00	2,025.00	—	—
Kowloon Peninsula	112		68,420		236.00		—	
New Territory...	2		not stated		1,300.00		—	
						19,128.10		572,991.24

The sales of Crown land were considerably in excess of previous years, the area and number of lots sold and the premium realised being five times more than in the year 1898. There was also much competition, so that prices were greatly enhanced. One inland lot, favourably situated for Chinese shops and dwellings in the Western District, realised a premium of $14 per square foot, the highest price yet obtained for land in that district. The highest price paid for Crown land in Hong Kong during the year was $18·39 a square foot. There was a greatly increased demand for land in the Kowloon Peninsula, and the value of land there has more than trebled during the last five years. The market town of Yaumati is now rapidly increasing and extending in a northerly direction.

Private sales of land within the City of Victoria also increased greatly during the year, the number of conveyances or assignments registered in the Land Office during the year showing an excess of eight and a half million dollars in purchase moneys paid over any previous year. The highest price per square foot obtained at private sale was $55.

It is to be noted that the first sale of Crown land under the new condition of selling for a term of 75 years, renewable for one further term, took place in July, and 27 lots under this condition were sold before the end of the year.

The appreciation in value of land is due to the fact that, owing to the insecurity of life and property in the neighbouring province of China, Chinese capital flowed into the Colony for investment.

The making of a survey for the proposed Canton railway probably also had the effect of stimulating investment in landed property in the Kowloon Peninsula.

(E.) SHIPPING.

The total tonnage entering and clearing during the year 1899 amounted to 18,101,309 tons, being an increase compared with 1898 of 835,529 tons, and the same number in excess of any previous year.

There were 44,278 arrivals of 9,052,501 tons, and 44,349 departures of 9,048,808 tons.

Of British ocean-going tonnage 2,587,478 tons entered, and 2,587,369 tons cleared.

Of river steamers (British) 1,774,728 tons entered, and 1,775,441 tons cleared; making a grand total of British tonnage of 8,725,016 tons entering and clearing.

HONG KONG, 1899.

Of foreign ocean-going tonnage 2,352,740 tons entered, and 2,347,745 tons cleared.

Of foreign river steamers 5,823 tons entered, and 5,823 tons cleared; making a grand total of foreign tonnage of 4,712,131 tons entering and clearing.

Of junks in foreign trade, 1,849,435 tons entered, and 1,846,749 tons cleared.

Of junks in local trade, 482,297 tons entered, and 485,681 tons cleared.

Thus—

British ocean-going	tonnage	represented	28·5	per cent.
„ river	„	„	19·5	„
Foreign ocean-going	„	„	25·8	„
„ river	„	„	0·6	„
Junk (foreign trade)	„	„	20·3	„
„ (local trade)	„	„	5·3	„

Five thousand three hundred and eighty-six (5,386) steamers, 58 sailing vessels, and 22,566 junks in foreign trade entered during the year, giving a daily average of 76·9, as against 96 in 1898.

For European-constructed vessels the daily average of entry would be 14·91, against 15·17 in 1898, and, of the steamers entering, 68·17 per cent. were British.

The actual number of ships of European construction (exclusive of river steamers), entering the port during the year 1899 was 603, being 312 British and 291 foreign.

A comparison between the years 1898 and 1899 is shown in the following table:—

Comparative Shipping Return for the Years 1898 *and* 1899.

—	1898.		1899.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British	7,456	8,705,648	7,408	8,725,016	—	19,368	48	—
Foreign	3,602	4,547,085	3,497	4 712,131	—	165.046	105,	—
Junks in Foreign Trade ...	58,936*	3,626,754*	45,067†	3,696,184†	—	69,430	13,869	—
Total... ...	69,994	16,879,487	55,972	17,133,331	—	253,844	14,022	—
Junks in Local Trade ...	9,635	386,293	32,655‡	967,978‡	23,020	581,685	—	—
Grand Total ...	79,629	17,265,780	88,627	18,101,309	23,020	835,529	14,022	—
Nett...					8,998	835,529	—	—

* Including 18,700 Conservancy and dust boats measuring 409,840 tons.
† Including 4,918 Conservancy and dust boats measuring 108,834 tons.
‡ Including 12,826 Conservancy and dust boats measuring 316,300 tons.

For vessels under the British flag, this table shows a falling off of 48 ships. This may be attributed to the return to normal conditions of the shipping of the port. In 1898 there was a large extra number of tramp colliers entered from home. These were subsequently employed in the inflated rice trade to Japan, which continued up to the end of 1898. These steamers have now returned home. An additional cause for the diminution lies in the fact that the steamers of the Northern Pacific Line have turned over to the United States flag. There is also a great decrease in the number of sailing vessels calling here, which, alone, would account for more than the 48.

The British tonnage, on the other hand, shows an increase of 19,368 tons. This may be accounted for by the gradual substitution of large for small vessels.

For vessels under foreign flags, there is also a numerical decrease, with an increase of measurement. The decrease of 105 ships is explained by:—(i.) The total disappearance of West River Lorchas under German colours. (ii.) A certain number of German coasting steamers, usually calling here, having been, during the greater part of the year, on time charter in the northern ports. And (iii.) three Danish steamers, of small tonnage and of former frequent entry, have ceased to call here.

The increase of tonnage of 165,046 tons is accounted for by:—(i.) The starting of a new Japanese line of steamers, the Osaka Shosen Kaisha, calling here. (ii.) The increased number of Japanese coasting steamers. (iii.) An increase in Marty's Fleet (French). (iv.) The Northern Pacific Line, having shifted from British to United States colours, were running here during the first half of the year. (v.) The greatly increased size of many steamers now employed on the European runs. The remarks as to British sailing vessels (above) also apply here.

HONG KONG,
1899.

Comparative Statement of Total Shipping Entered and Cleared: 1895–1899 *included.*

—	1895.		1896.		1897.		1898.		1899.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
Total entered and cleared ...	73,761	15,632,113	80,463	16,515,953	77,293	15,938,174	79,629	17,265,780	88,627	18,101,309

HONG KONG,
1899

Analysis of Shipping (Steamers) Entered and Cleared: 1898 *and* 1899.

—	1898.		1899.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British	7,224	8,601,880	7,354	8,665,828	130	63,948	—	—
Foreign:								
German	1,385	1,757,238	1,265	1,653,895	—	—	120	103,343
Japanese	481	1,005,455	658	1,338,973	177	333,518	—	—
Chinese	424	523,667	456	506,696	32	—	—	16,971
French	312	349,568	444	437,393	132	87,825	—	—
Norwegian	404	373,097	252	234,799	—	—	152	138,298
American	130	91,967	152	160,566	22	68,599	—	—
Austrian	50	132,318	54	142,390	4	10,072	—	—
Italian	26	37,990	30	53,420	4	15,430	—	—
Danish	134	85,101	24	48,105	—	—	110	36,996
Russian	2	6,854	9	11,817	7	4,963	—	—
Hawaiian	10	23,392	4	9,192	—	—	6	14,200
Belgian	2	4,348	7	8,048	5	3,700	—	—
Spanish	6	2,591	15	7,706	9	5,115	—	—
Dutch	12	17,678	4	5,040	—	—	8	12,638
Portuguese	—	—	62	3,344	62	3,344	—	—
Siamese	—	—	—	—	—	—	—	—
Swedish	—	—	—	—	—	—	—	—
Total	10,602	13,013,144	10,790	13,287,212	584	596,514	396	322,446
					396	322,446		
Nett Increase					188	274,068		

Analysis of Shipping (Sailing) Entered and Cleared: 1898 *and* 1899.

—	1898.		1899.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships	Tonnage.	Ships.	Tonnage.
British	232	103,768	54	59,188	—	—	178	44,580
Foreign:								
American	101	87,567	49	71,207	—	—	52	16,360
Austrian	1	77	—	—	—	—	1	77
Danish	3	1,350	—	—	—	—	3	1,350
French	2	2,228	—	—	—	—	2	2,228
German	101	32,337	9	17,158	—	—	92	15,179
Hawaiian	4	4,318	—	—	—	—	4	4,318
Italian	2	1,588	3	2,382	1	794	—	—
Norwegian	6	4,796	—	—	—	—	6	4,796
Russian	2	942	—	—	—	—	2	942
Siamese	2	618	—	—	—	—	2	618
Spanish	—	—	—	—	—	—	—	—
Swedish	—	—	—	—	—	—	—	—
Total	456	239,589	115	149,935	1	794	342	90,448
							1	794
Nett Decrease							341	89,654

Junks: 1898 *and* 1899.

1898.		1899.		Increase.		Decrease.	
Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
68,571	4,013,047	77,722	4,664,162	9,151	651,115	—	—

LEGISLATION.

Forty Ordinances were passed during the year, of which ten were for the Naturalisation of Chinese.

The Crown Lands Resumption Ordinance was amended so as to enable resumption for any "public purpose."

Three had special reference to the New Territory. One was to exempt the Territory from the operation of certain Ordinances not considered applicable to it. A second was to give power to divide the New Territory into districts and sub-districts, to appoint committees of districts and sub-districts, make rules for the good order, health, and general good government of the Territory, for the constitution of local tribunals in districts and sub-districts, for the hearing and deciding of petty civil and criminal cases, and the levying of contributions on the inhabitants where extra crime requires the provision of extra police.

The local tribunals under this Ordinance have not been established.

The third Ordinance gives power to make rules for the farming out for revenue purposes of the right to sell or otherwise deal in any commodity, and for the collection of rent and taxes. Opium is the only commodity that has been dealt with under this Ordinance.

An important sanitary measure was passed in the Insanitary Properties Ordinance, which has for its object the improvement of light and ventilation in existing domestic buildings, and of open spaces in rear of them, and the provision of larger open spaces in rear of new buildings, and the sanitary maintenance of private streets and lanes.

The provisions of the Ordinance still fall short of similar requirements in England, but are as exacting as perhaps could be imposed without involving questions of compensation for loss of space in a city where land is extraordinarily valuable. Ordinances were passed to consolidate and amend the law relating to criminal procedure, merchant shipping, and prisons, and an important amendment of the Protection of Women and Girls Ordinance was passed, giving larger powers of dealing with brothels and disorderly houses, and making it penal to permit a woman suffering from contagious disease to remain in a brothel.

The provisions of this Ordinance have already had a salutary effect.

EDUCATION.

Primary education in Hong Kong may be divided into two great divisions:—

I. Schools in which an English education is given.
II. „ „ „ a vernacular „ „ „

Each division may again be divided into three subdivisions:—

A.—Government schools, that is, entirely supported by the Government.
B.—Grant-in-aid schools, receiving a yearly grant from the Government, based on the results of examination.
C.—Private schools, that is, schools that do not come under Government inspection, and so receive no grant.

I.*A.*—There are four Government schools, outside Queen's College, which give an education in English. These are under the charge of native teachers, who are capable of teaching at least up to the fourth standard. A competitive examination is held each year of boys from these four schools, of whom four are selected for free scholarships tenable at Queen's College. The education at these schools is free, and by far the greater majority of the scholars are Chinese and Eurasians, but there are a few Indians. The number attending these four schools is 631. There is also one school (Belilios Public School for girls) where an English education is given to girls, and a few very young boys who are too young to enter Queen's College, but eventually go there. The number of scholars attending this school is 255, and the five schools together have an average daily attendance of 484·9.

I.*B.*—of the grant-in-aid schools giving an English education there are 18, having an average daily attendance of 1,320. Nearly all these schools are attached to, and under the guidance of, some religious body; and with the exception of three, viz., the Diocesan School, St. Joseph's College School, and Victoria English School, give quite a primary education only. These three will be mentioned again among the schools giving a secondary education.

I.*C.*—Private schools in which an English education is given.—The number of these schools cannot be very correctly stated, especially as it is difficult to say what number of scholars constitutes a school in these circumstances. They also fluctuate a great deal, sometimes being opened till the venturer finds a more lucrative occupation. It appears, however, that there are seven that may be properly called schools. Some of these should come more under the head of Evening Classes held in private houses, generally of some of the native masters of Queen's

Hong Kong, 1899.

College. These seven are doubtless attended by those who cannot (on account of distance or want of place) get into any of the above-named four Government schools—or who are crowded out of Queen's College, or cannot afford to pay the fees of that institution. The education given in some of these is of a very varied nature, an attempt being made to meet the special requirements of nearly every individual. The great object of boys attending these schools seems to be to get a smattering of English to enable them to get employment as shroffs, copying clerks, office boys, compositors, &c., and thus, it is feared, they must not be considered educational institutions from a proper point of view.

II.*A.*—Of the Government schools which give an education in Chinese only, there are now seven (three having been closed at the end of 1898), having an average daily attendance of 249·9. Some years ago, when a boy was obliged to reach a certain standard in Chinese before he could enter the Government Central School (alias Victoria College, now Queen's College) to study English, it would appear that these schools were greater in number and attended by a larger number of scholars, *e.g.*, in 1879 there were 27 Chinese Government schools, with an attendance of 1,231 scholars for the year; whereas in the four English schools there was an attendance of only 222 scholars for the year. Since then the desire for an English education has greatly grown, and the Government *now* requires that English shall be taught in all *new* schools that are opened. In 1879, as above stated, there were only 222 scholars in the four schools in which English was taught, but in 1899 in the five schools—*i.e.*, including the Belilios Public School for Girls—there were 886 scholars, of which 255 are girls. Again, in 1879 there were 27 Chinese Government schools, with 1,231 scholars in attendance, and in 1899 there were seven schools, with a yearly attendance of 558 scholars. The education in these Chinese schools follows somewhat on the lines of that given in an ordinary native school as far as the books used are concerned, but with a healthy leavening of a Western system.

II.*B.*—There are 73 grant-in-aid schools, having an attendance of 3,811 scholars for the year, of whom 1,806 are boys and 2,005 girls. The books in use for these schools include some of the smaller Chinese classics, but being, like all the grant-in-aid schools, under the control of some religious sect, books, compiled under the guidance of these various sects and of a religious character, are, subject to the approval of the Inspector of Schools, substituted for ordinary Chinese books.

Under this heading must be reckoned the Portuguese schools in which the Portuguese language is taught with a hope of substituting, in time, the pure language for the patois which now prevails. There are five of these schools, with an attendance of 11 boys and 143 girls for the year.

II.*C.*—Private schools in which a Chinese education is given.—Considering the facilities offered both by the Government and the grant-in-aid system for a *free* education in Chinese, it seems hardly credible that private schools could exist and be made to pay, but it is evident that they both exist and pay sufficiently for many ventures to be made, for they number 100, with an attendance of 2,195 scholars, one of them being a girls' school. This number includes the seven schools mentioned above in which an English education is given. These are doubtless attended by the children of those parents whose faith is pinned to an ordinary Chinese education, under the ordinary Chinese system. Cumbersome as this system doubtless is, it is believed in even by some highly educated Chinese. In some of these schools the fees are paid partly in money and partly in kind, which in some instances means a bare existence for the teacher. Many of the wealthier Chinese have their sons, perhaps with those of some near friend or neighbour, taught in their own homes by an accomplished teacher according to Chinese ideas. Comparing the number of scholars with the schools it will be seen that there is only an average of 22 boys to each school.

SECONDARY EDUCATION.

As it is still an unsettled point in England where a primary education ceases and a secondary one begins, it will be still more difficult to draw a line of demarcation in Hong Kong, where there is no one institution that pretends to give a secondary education only. The four principal English schools, viz, Queen's College, Diocesan School, St. Joseph's College School, and the Victoria English School, prepare candidates for the Senior Oxford Local Examinations, and so may be said to give a secondary education to a certain, but very limited, extent; but in all these institutions by far the majority of the boys receive only a primary education.

Queen's College, which is a Government institution, has a staff qualified to give a secondary education, but the time is not yet ripe for it to be turned into a secondary education institution only. The number of scholars on the roll is at present 1,126, and during 1899 the average daily attendance was 887·05, and the total number of scholars on roll was 1,344. The staff consists of one head master, one second master, four assistants (senior grade), and four assistants (junior grade), all Europeans, assisted by 11 native teachers and five pupil teachers. Now that no test is applied to a knowledge of Chinese, very young boys, say nine years old, Chinese reckoning, enter, and consequently education here commences with the "A. B. C." and goes up to the Senior Oxford Local Examination standard.

The education given in the three other named institutions is very similar. The number of scholars attending these schools for the year is as follows:—

Diocesan School	252
St. Joseph's College School ...	336
Victoria English (boys) ...	278
" " (girls) ...	49

It should here be mentioned that girls educated at the Belilios Public School also go in for the Oxford Local Examinations including the senior division.

V.—GOVERNMENT INSTITUTIONS.

A.—Hospitals:—

The Government hospitals consist of the Civil Hospital, to which is attached an isolated lying-in hospital; Kennedy Town Infectious Diseases Hospital, and the Hospital hulk "Hygeia."

The Civil Hospital contains 124 beds in 18 wards. Eight beds are reserved for first and second class paying patients; 38 for Europeans of all nationalities; 54 for Chinese, Japanese, and Indians, and 16 for females of all nationalities.

The Lying-in Hospital contains six beds for Europeans and four for Asiatics.

Kennedy Town Infectious Diseases Hospital has 28 beds in the main building and 50 beds in mat-shed annexures. The "Hygeia" has accommodation for 12 European patients and 100 Asiatics

Two thousand seven hundred and thirty-four in-patients and over 13,000 out-patients were treated at the Government Civil Hospital in 1899. The nursing staff consists of a matron and trained nurses obtained from England.

The Tung Wa Hospital is supported by charitable contributions of the Chinese community and by an endowment from the Government. All the land on which it stands was granted by the Government.

It contains 170 beds, for Chinese patients only; 2,542 in-patients and 90,081 out-patients were treated at this hospital during the year, and 2,261 persons were vaccinated.

The hospital is under the daily supervision of a European member of the Government Medical Staff. The Resident Surgeon is a Chinese qualified in Western medical science.

B.—Asylums.—The European Lunatic Asylum contains eight beds in eight separate wards. The Chinese Lunatic Asylum has 16 beds.

C—There is no poor house in the Colony. The Tung Wa Hospital undertakes in a great measure the relief of Chinese destitutes.

D.—A reformatory has not been opened yet.

E.—There is no Savings Bank under Government control.

F.—The following return shows the work of the Pó Léung Kuk Society for the year 1899:—

PÓ LÉUNG KUK, 1899.

Number of Beds for Inmates.	Staff.	Inmates remaining on the 31st Dec., 1898.				Inmates admitted for the year 1899.				Restored to Parents or Relatives.				Sent to Missionary Schools.	Sent to Convent.	Married.	Adopted.			Died.	Permitted to leave.	Inmates remained on the 31st Dec., 1899.			
		Women.	Girls.	Boys.	Total.	Women.	Girls.	Boys.	Total.	Women.	Girls.	Boys.	Total.				Girls.	Boys.	Total.			Women.	Girls.	Boys.	Total.
60	17	51	12	1	64	178	50	24	252	117	38	21	176	10	6	47	9	3	12	4	30	28	2	1	31

(G.) FIRE BRIGADE.

The Fire Brigade is a sub-department of the Police Department, and is under the control of the Captain Superintendent of Police.

The European staff consists of:—

- 1 Superintendent.
- 1 Assistant Superintendent.
- 1 Engineer.
- 1 Assistant Engineer.
- 1 Overseer of Water Works.
- 8 Foremen.
- 7 Engine-drivers.
- 28 Firemen.

All of these, except the Engineer, are members of the Police Force.

The Chinese staff consists of:—

- 3 Engine-drivers.
- 8 Stokers.
- 22 Firemen.
- 15 Watchmen.
- 3 Seamen.
- 4 Interpreters.

The brigade has a powerful floating fire-engine for use in the harbour, four land steam-engines and 28 despatch boxes, each carrying 300 feet of hose and the necessary appliances, placed at fixed points throughout the city, either in charge of firemen or of policemen on beat duty.

VI.—JUDICIAL STATISTICS.

(A.) POLICE.

The strength of the Force was largely increased during the year, owing to the occupation of the New Territory on the 17th April.

Prior to that date the Force of Land and Water Police consisted of:—

Europeans	112
Indians	226
Chinese	292
Total	630

with two executive officers, an accountant, three clerks, interpreters, and 43 servants.

After that date it was gradually raised to:—

Europeans	129
Indians	350
Chinese	348
Total	827

Made up of the following ranks:—

European Police (Land).

Chief Inspectors	2
Inspectors	12
Sergeants	28
Constables	72
Total	114

Indian Police (Land).

Sergeant-major	1
Sergeants	17
Constables	332
Total	350

Chinese (Land).

Sergeants	7
Constables	214
Total	221

European and Chinese (Water).

European:—

Inspectors	2
Sergeants	4
Constables	9
Total	15

HONG KONG, 1899.

Chinese:—

Sergeants	2
Constables	60
Coxswains, engineers, stokers, carpenters, boatmen, and detectives	65
Total	127

The Detective Police consists of eight Europeans (one Chief Inspector, one Inspector, and six Sergeants) and 54 Chinese.

The police are distributed in 30 different police stations, 12 of which are on the Island of Hong Kong, four in the old Kowloon Peninsula, and 14 in the New Territory.

The water police do duty in three steam pinances and one row boat in Victoria Harbour, and in three steam launches and two row boats in the New Territory.

The European and Indian police have just been re-armed with Martini-Enfield carbines and bayonets, but carry revolvers or their old Martini carbines on rural patrols and night duty.

Chinese are armed with sword bayonets.

The area policed is as follows:—

	Square miles.
Old Colony (Hong Kong and Kowloon) ...	31¾
New Territory (Mainland)	286
Islands	90
Water	724
Total	1,131¾

	Miles.
The mileage of streets in Victoria is ...	44
Streets and roads, Kowloon	20
Hill District and Island of Hong Kong ...	48
Total	112

The mileage of native roads (so-called) in the New Territory, which are only foot-paths, cannot be given.

The population of the old Colony is as follows:—

Non-Chinese	15,820
Chinese, City of Victoria	168,260
,, Villages	40,530
,, Boat and Junk Population ...	34,700
Total	259,310

The population of the New Territory, which is exclusively Chinese, is estimated at 100,000.

The total expenditure in the Police Force on pay, pensions, and stores amounted in round figures to $350,000, or an average of (say) $1 per annum per head of population.

(B.) PRISON.

There is only one prison in the Colony—the Victoria Gaol.

It contains 421 cells on the separate system and 14 associated cells.

The prison is conducted entirely on the separate system, except when the numbers exceed 435.

The building of an additional ward, containing 78 separate cells, was commenced during the year.

The staff consists of a Superintendent, who is also Captain Superintendent of Police, an Assistant Superintendent, a Medical Officer, four Chaplains, a Chief Warder, 26 European and 44 Indian Warders.

The total number of prisoners committed to gaol during the year was 4,789, as against 5,427 in the previous year.

The daily average of prisoners confined in the gaol during the year was 434, as compared with 511 for 1898.

The average reports per prisoner for breaches of prison discipline was 5·66.

Penal labour consists in shot drill, stone carrying, and crank labour.

The progressive stage system is in force and industrial labour is utilised as much as possible.

The profits on industrial labour for the year amounted to over $16,000.

The total expenditure of the prison was $63,820·27.

CRIMINAL STATISTICS.

The following tables show the number of cases dealt with in the Police Magistrate's Court and by the Supreme Court:—

SUMMARY CONVICTIONS. (Police Court.)

TABLE showing the Number of Summary Convictions for various Classes of Offences, and the kind of Punishments Inflicted.

Punishments.	Total Number of Offences.	Assaults and other Offences against the Person.	Malicious Injuries to Property.	Gambling.	Offences against Property other than Malicious Injuries to Property or Prædial Larceny.	Offences against Revenue Acts, Highway Acts, Health Acts, and other Acts relating to the Social Economy of the Colony.	Offences against Masters and Servants Acts, including Acts relating to Indentured Coolies.	Other Offences.
Fine	6,460	563	89	519	307	1,659	18	3,305
Imprisonment in lieu of fine or security.	1,349	91	45	120	235	308	9	541
Peremptory Imprisonment ...	1,564	146	—	1	1,082	2	2	331
Whipping	101	7	1	8	84	—	—	1
Escaped	1	—	—	1	—	—	—	—
Solitary Confinement	13	1	—	—	9	—	—	3
Exposed in Stocks	2	—	—	—	1	—	—	1
Sent to House of Detention ...	48	—	—	—	—	—	—	48
Bound over with or without sureties	102	44	—	1	7	9	—	41
Total	9,640	852	135	650	1,725	1,978	29	4,271

NOTE.—Where there has been an Appeal from the Magistrate's decision the case is entered as finally decided, and not necessarily according to the Magistrate's original decision.

INDICTMENTS AND INFORMATIONS IN THE SUPREME COURT OF HONG KONG,

Including Courts analogous to the Courts of Quarter Sessions in England, *i.e*, District Courts, &c.
(Year, 1899.)

Showing how the cases tried in the Superior Courts ended. (Each Prisoner tried counts as a separate case; where a large number of Prisoners have been convicted together, the fact is mentioned in a note.)	Total.	Including Attempts and Conspiracies to commit the several offences.										
		Murder.	Manslaughter.	Attempt at Murder.	Concealment of Birth.	Abortion.	Rape.	Unnatural Crimes.	Robbery with Violence.	Other Offences against the Person.	Offences against Property.	Miscellaneous Offences.
Judgment for the Crown	77	6	—	—	—	—	2	1	34	6	18	10
Judgment for the Prisoners...	12	2	—	—	—	—	—	—	3	1	5	1
Prisoner found Insane	—	—	—	—	—	—	—	—	—	—	—	—
Cases which fell through for want of prosecution or absence of accused, and cases thrown out by the Grand Jury (Attorney General).	9	—	—	—	—	—	—	—	4	4	1	—
Cases postponed	—	—	—	—	—	—	—	—	—	—	—	—
	98	8	—	—	—	—	2	1	41	11	24	11

COMPARATIVE TABLE.

COMPARATIVE TABLE showing the Number of Offences, Apprehensions, Convictions, and Acquittals for the last Four Years.

—	1896	1897.	1898.	1899.
The Number of Cases reported to the Police	12,975	9,629	10,596	9,023
The Number of Persons apprehended by the Police or summoned before the Police Magistrates.	19,568	12,886	15,289	11,446
The Number of Summary Convictions :—				
1. For Offences against the Person	572	704	1,013	808
2. Gambling	730	661	1,072	648
3. For Offences against Property other than Prædial Larceny	1,620	1,683	1,840	1,853
4. For other Offences	14,567	7,766	9,605	6,228
The Number of Convictions in the Superior Courts :—				
1. For Offences against the Person	15	24	19	49
2. Prædial Larceny	—	—	—	—
3. For Offences against Property other than Prædial Larceny	10	10	17	18
4. For other Offences	2	5	3	10
The Number of Persons Acquitted :—				
1. In the Inferior Courts	1,574	1,632	1,289	1,641
2. In the Superior Courts	32	28	15	27

There was an increase during the year of 15·57 per cent. in the numbers of serious offences reported to the police during the year compared with the previous year. This increase was in part due to the large area comprised in the New Territory being added to the old Colony and partly to the lawlessness prevailing in the neighbouring province of China.

VII.—VITAL STATISTICS.

(A.) POPULATION.

The following is the estimated population in the middle of 1899:—

Non-Chinese population		8,915
Chinese population.	City of Victoria, including Peak and Stone Cutter's Island	168,260
	Villages of Hong Kong and Kowloon	40,530
	Boat and Junk population	34,700
		252,405
	New Territory	100,000
	Total Chinese population	352,405
Army (including wives and families)		3,520
Navy		3,385
	Total population	359,310

There were 1,132 births and 6,181 deaths. The birth rate was 4·3 per 1,000, as against 4·7 per 1,000 in 1898. These figures are exclusive of the New Territory, for which no figures are available.

(B.) PUBLIC HEALTH.

The death rate was 23·8 per 1,000, as compared with 22·30 per 1,000 in 1898. Excluding the deaths from plague the death rate would have been 18·8 per 1,000.

The following figures show the comparison of the death rate in the different nationalities for the last two years:—

—	1898.	1899.
	per 1,000.	per 1,000.
Whites	16·2	12·5
Coloured	33·6	28·3
Chinese	22·54	24·4

The increased mortality amongst the Chinese was occasioned by the greater number of deaths from plague.

The average death rate for the 14 years 1880-1893 was 26·74.

From 1894 (when plague first made its appearance) to 1899 the average has been 23·78 including plague, and 19·51 exclusive of plague.

The total number of cases of plague reported during the year was 1,486, and the total number of deaths from this disease 1,428.

Small-pox was less prevalent than in 1898, only 69 cases being reported.

Fifty-nine cases of enteric fever were reported during the year. Of these 31 were contracted locally as against 38 in 1898.

There were nine cases of diphtheria reported.

For the third year in succession the Colony was practically free from cholera.

Malarial fevers and beri-beri were more prevalent than in the previous year.

Beri-beri is common among the Chinese, but the disease is not, as it now exists here, very infectious and does not become epidemic.

(C.) SANITATION.

Some progress has been made during the year towards the improvement of the general sanitary condition of the Colony.

HONG KONG 1899.

The most important measure has been the passing of the Insanitary Properties Ordinance, by the provisions of which every existing domestic building must be provided with an open space in the rear of not less than 50 square feet, while every domestic building erected after the passing of the Ordinance must be provided with an open space in the rear proportionate to the depth of the house.

Back-to-back houses are thus prohibited.

The Ordinance contains various other provisions for the improvement of the light and ventilation of domestic buildings.

The water supply of the city was augmented by the construction of a new reservoir, with a capacity of 33,000,000 gallons, at Wong-nei-chong Gap.

Two filter beds were also added and an addition made to the means of impounding water at Kowloon.

(D.) CLIMATE.

The average monthly temperature was 71·9° F., as compared with 72·2° F. during 1898.

The maximum monthly temperature was in July, when it reached 82·9° F.; while the minimum was recorded in January, being 59·0° F.

The highest recorded temperature was 92·9° F. and the lowest 43·6° F.

The total rainfall for the year was 72·7 inches.

The wettest months were August with 19·98 inches and June with 18·975 inches, and the driest was January with 0·85 inch.

The relative humidity of the atmosphere throughout the year was 75 per cent., being lowest in November with 62 per cent., and highest in August with 85 per cent. No rain fell on 237 days in the year. On 34 days only was there no sunshine.

HONG KONG,
1899.

The direction and force of the wind were as follows:—

1899.	Mean Direction in Points.	Mean Velocity in Miles per Hour.	Corresponding Force in Beaufort's Scale (0–12).	Maximum Hourly Velocity during the Month.	Corresponding Force in Beaufort's Scale (0–12).
January	NE by E	12·3	2	44	7½
February	E by N	14·3	2	46	8
March	E by N	13·9	2	35	6
April	E by N	13·4	2	42	7
May	E by S	10·3	1½	31	5½
June	SE by S	13·1	2	43	7½
July	SE by S	11·2	1½	46	8
August	ESE	11·0	1½	32	6
September...	E by N	11·3	1½	34	6
October	E by N	16·4	2½	35	6
November	NE by E	13·2	2	36	6
December	E	12·4	2	37	6½
Year	E	12·7	2	46	8

Hong Kong,
1899.

VIII.—POSTAL, TELEGRAPH, AND TELEPHONE SERVICES.

There was a large increase in postal business, the number of covers and articles received and despatched showing an increase of 1,255,610 over the figures for the previous year.

International correspondence showed an increase of 409,860 letters.

The sale of stamps at Hong Kong realised $216,791·45, or $16,404·32 less than in the previous year.

The volume of correspondence, as shown above, largely increased, and the decrease in receipt for stamps was due to the adoption of the penny postage rate on letters to the United Kingdom and to the majority of British Colonies.

There is reason to believe, however, that the increasing correspondence will gradually remove this loss.

The total revenue for the year was less by $19,270·63 than that for the previous year. The expenditure was also less by $3,658·76.

The nett profit on the year's transactions to the Hong Kong Post Office was $80,006·60.

TELEGRAPHS.

There are no Government telegraphs.

TELEPHONES.

All the principal police stations in the old Colony and in the New Territory are connected by telephone, as are the Gap Rock and D'Aguilar Lighthouses.

IX.—MILITARY FORCES AND EXPENDITURE.

(1.) REGULAR FORCES.

The following return shows the number and nature of the forces employed in the Colony during 1899 :—

CORPS.	EUROPEAN.			INDIAN.			CHINESE.	TOTALS.
	Officers.	Com-missioned Officers.	N.C.O.'s and Men.	Officers.	Com-missioned Officers.	N.C.O.'s and Men.	N.C.O.'s and Men.	
General Staff	5	—	—	—	—	—	—	5
Garrison Staff	—	—	1	—	—	—	—	1
Royal Artillery	17	2	403	—	—	—	—	422
Hong Kong-Singapore Battalion, R.A. ...	12	—	8	8	—	449	—	477
Royal Engineers...	11	—	174	—	—	—	—	185
Chinese Sub. Miners	—	—	—	—	—	—	69	69
Second Royal Welsh Fusiliers...	22	1	953	—	—	—	—	976
Army Service Corps	2	—	5	—	—	—	—	7
Hong Kong Regiment	10	—	—	17	—	980	—	1,007
Royal Army Medical Corps	9	—	33	—	—	—	—	42
Ind. Sub. Med. Staff	—	—	—	—	1	2	—	3
A.O.D. and Corps	5	1	15	—	—	—	—	21
A.P.D. and Corps	3	—	6	—	—	—	—	9
Educational	1	1	—	—	—	—	—	2
Total	97	5	1,598	25	1	1,431	69	3.226

The Colony contributed $530,444·30 (17½ per cent. of its revenue) towards the cost of the above, besides $45,000 in aid of the construction of barracks, and $45,300 for defence works, making a total of $620,744·30.

(2.) VOLUNTEER FORCES.

The total establishment of the corps is 350 of all ranks. The strength last year was one field battery (93) of six 2·5 q.f. machine guns, three machine gun companies (146) of four Maxim guns each, an infantry company (31), an engineer company (20), and a band (13).

The corps was re-armed with ·303″ Martini-Enfield artillery carbines and magazine Lee-Enfield rifles.

The ·45″ Maxim guns are being converted into guns of ·303″ calibre.

The expenditure on the volunteers, which is entirely borne by the Colony, was $28,644·23 for the year.

(3.) EUROPEAN AND INDIAN POLICE.

The European and Indian police are a Constabulary Force, being armed with Martini-Enfield carbines.

X.—GENERAL OBSERVATIONS.

The most important event of the year was the taking over and subsequent government of the New Territory, upon which I have already fully reported.

The plague again visited the Colony in epidemic form.

The flow of Chinese to and from the Colony is continual. Over sixty-one thousand persons emigrated from here, nine-twelfths of them going to the Straits Settlements, 7,500 went to San Francisco, and 3,500 to British Columbia.

One hundred and ten thousand Chinese returned to Hong Kong from ports other than Chinese, of whom 94,000 came from the Straits Settlements. The vast majority of these emigrants and immigrants merely pass through Hong Kong *en route* from and to China.

But Chinese show an increasing tendency to settle in the Colony. The richer Chinese have during the year purchased many residences in Victoria hitherto occupied by Europeans, while the villages in the Kowloon Peninsula have been rapidly extended to give accommodation for an increasing industrial population.

The future prospects of trade are good and there are promising openings for the investment of capital in manufactures and industries. There are no openings for white labour except in limited numbers for supervision in connection with any new industries.

There has been no important change in the establishment except in the large increase made to the Police Force.

The general condition of the Colony is most flourishing, and, with the command of cheap labour, it gives promise of developing into a great manufacturing centre.

I have, &c.,

HENRY A. BLAKE,

Governor.

COLONIAL REPORTS—ANNUAL.

No. 340.

HONG KONG.

REPORT FOR 1900.

(For Report for 1899, *see* No. 314.)

Presented to both Houses of Parliament by Command of His Majesty.
November, 1901.

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COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
318	British Guiana	1899–1900
319	Christmas Island	1900
320	British Solomon Islands	1899–1900
321	Lagos	1900
322	Bermuda...	"
323	St. Helena	"
324	Sierra Leone	"
325	Gambia	"
326	Barbados...	"
327	Bahamas...	"
328	Turks and Caicos Islands	"
329	Malta	"
330	Straits Settlements	"
331	Fiji	"
332	St. Lucia...	"
333	Seychelles	"
334	Falkland Islands	"
335	Mauritius and Rodrigues	"
336	British New Guinea	1899–1900
337	Leeward Islands	1900
338	Trinidad and Tobago	"
339	British Honduras	"

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand...	Forests.
3	Sierra Leone	Geology and Botany
4	Canada	Emigration.
5	Bahamas...	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific...	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.
13	Cook Islands	Trade, 1899.
14	Bahamas...	Fibre Industry.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies ...	Medical Reports.
17	Gilbert and Ellice Islands ...	Report for 1896–1900.
18	Hong Kong	Operations in New Territory during 1899.

No. 340.

Hong Kong
1900.

HONG KONG.

(For Report for 1899, *see* No. 314.)

Governor Sir H. A. Blake to Mr. Chamberlain.

Government House,
Hongkong,
25th September, 1901.

Sir,

I have the honour to forward the Blue Book for 1900. The statistics quoted in the Report of the Colonial Secretary show that the Colony is in a sound financial position, and that its business, which is mainly that of a great transhipping port, continues to increase with the expanding trade of the East. The shipping returns show that during the year 1900, 82,456 ships of the aggregate registered tonnage of 18,445,133 tons, carrying 9,862,868 tons of cargo and 2,031,079 passengers arrived and cleared.

2. But this considerable increase of shipping over the previous year by no means represents the enormous increase in the number of ships that entered the harbour during this year of abnormal activity. The Boxer troubles in the North broke out in June, and in July the first contingents of the China Expeditionary Forces began to arrive. Hongkong was practically the British base, and for months the man-of-war anchorage was filled with British and Foreign warships and transports. At first it was feared that there was no available space in which to accommodate the Indian Brigades landed here to await the settlement of details as to future operations. I gave the Major-General Commanding Troops *carte blanche* to occupy every spot of ground on which a tent could be pitched, and sufficient accommodation was found in the immediate neighbourhood. I may add that the conduct of the Indian Troops landed here left nothing to be desired.

3. With the new road now being completed to Taipo, opening up the plains and hillsides of the New Territory, there is now ample accommodation for any number of troops likely to be required in the East.

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4. It will be easily understood that with the paralysis of trade in the North on the outbreak of active hostilities the entire trade of China was affected, and the godowns in Hongkong and Shanghai were filled to overflowing with imported merchandise of which the Chinese merchants were slow to take delivery. In the month of September a rebellious movement was started in the district of Weichou, north of the New Territory and Mirs Bay. The movement was not anti-foreign, and the insurgents refrained from interference with the villages in Tung Kun District in which the Basel Missions were established, nor, so far as I could learn, were any atrocities committed by them. It was a movement of a section of reformers that was not joined by the followers of Kang-Yu-Wei. The disturbance lasted for about a fortnight, and collapsed after several engagements with the Viceroy's troops under Admiral Ho, in one or two of which the rebels had some success. About four thousand lives were lost in the fighting, and the movement died out from the want of arms and ammunition, to prevent the smuggling of which the Police of Hongkong left nothing undone. The movement created considerable uneasiness in the district around Canton, one result of which was the transfer of a large amount of Chinese money to Hongkong for investment under the protection of the British flag. This may to some extent account for the increased sale of Crown land at enhanced prices during the year.

5. This small rebellion was, no doubt, attempted in consequence of the pre-occupation of the Imperial Government in the North, possibly with a view of inducing the allied Powers to secure peace in the South by a promise to consider the question of internal reform when the time arrived for the imposition of terms of peace upon the Imperial Government. I have heard from fairly well-informed sources this explanation of the rising. Had the Canton district responded, or had the Viceroy acted with less promptitude, the situation might have become very critical. The movement was distinctly anti-dynastic, as there was in the South among the Cantonese a strong feeling against, not alone the reigning dynasty, but against the people of the Northern provinces—a feeling of hostility apparently reciprocated by the Northern Chinese, who were quite as ready to murder a Cantonese as an American or European, and who look upon them as foreigners, if not "foreign devils." I had an illustration of this when the Boxer movement developed in Tientsin. A number of Cantonese young men were engaged in business in Tientsin, and some had gone there to attend the Chinese Medical School. These young men were regarded as foreigners, and found themselves in a position of great danger, and with no apparent means of escape. Some Chinese gentlemen here waited upon me, and, explaining the position, requested my good offices in assisting their return to Canton and Hongkong, saying that they were prepared to pay ten thousand dollars for the necessary expenses, as the lives of Cantonese would be

in grave peril if the Boxers had any success. I telegraphed to His Majesty's Consul at Tientsin, asking his assistance in repatriating the Cantonese, for which I undertook to be responsible to the extent of the sum named, and he very kindly made the necessary arrangements, forwarding bills for over nine thousand dollars, which were at once paid by the Chinese gentlemen who had approached me. A deputation of the young men whose escape had been secured waited upon me to express their gratitude, and one and all were assured that had they fallen into the hands of the insurgents their lives would have been taken. The incident was mentioned in the Chinese newspapers in Canton, and has, I hope, had some effect in strengthening the cordial relations that exist at present between the Government of the two Kwangs and this Colony.

6. Among the land sales effected during the year was a large area sold to Messrs. Butterfield & Swire, who propose to build docks there, one of which will be capable of taking in the largest ship now afloat. The Hongkong and Whampoa Dock Company have applied for an additional area, upon which the Company proposes to add another dry dock of equally large proportions, and, as the Naval Yard extension now progressing includes at least one more dry dock of suitable capacity, the docking facilities of this port will in the near future equal, if not exceed, those of any port in the East.

7. The building of steam-launches proceeds apace, nearly one hundred having been constructed during the year. I question if, in any part of the world, better or cheaper steam-launches are built than those turned out in Hongkong. The extension of the boiler-making trade, due to this expansion of steam-boat building, is now forcing itself upon our attention by complaints of the nuisance created by boiler-makers who have set up their noisy business in quiet quarters of the town, and proceed to prosecute it day and night. It may be necessary to confine this trade to a particular quarter.

8. I regret to have to report the recrudescence of plague at the usual season, the end of February. The epidemic began at the end of February, and lasted 27 weeks, ceasing in the first week in July. During that time there were 1,080 cases, with a case mortality of 95·5 per cent. In 1899 the epidemic lasted for 38 weeks, with 1,428 cases, and a case mortality of 96·1 per cent. In considering this annual recurrence of plague, the situation of Hongkong renders it peculiarly difficult to deal with the introduction of disease from without, for the relief gradually obtained in other places by the death of the susceptible can hardly be looked for here with a perennial influx of susceptible coolies from the surrounding plague-infected provinces. A few hours bring these people to Hongkong, and nothing short of a ten days' detention of from two to three thousand persons who daily enter Hongkong would insure freedom from the introduction of plague by these visitors, while even if all are

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healthy, there must be among them a proportion of susceptibles to feed the fuel on the appearance of plague.

9. One of the most important questions of the immediate future is the problem of reducing the surface population, the density of which in one health district of Victoria is, in round numbers, six hundred and forty thousand to the square mile, and this in a city crowded under the precipitous northern slope of the Peak range of hills that effectually shut off the south-easterly breezes of the summer months. The abatement of surface crowding by the resumption of houses and opening of streets and lanes will probably cost some millions of dollars, as the value of house property in Victoria is very great, houses being sold at from six dollars to thirty-five dollars a square foot; but the taxation of Hongkong is light compared with that of other Colonies, and sooner or later the question of the abatement of surface overcrowding must be vigorously dealt with.

10. The state of the New Territory taken over in 1899 has been fully dealt with in my despatch of the 12th of last August.* The Financial Accounts of this lately occupied concession afford no reliable basis for an estimate of its ultimate value. Up to the present we have been engaged upon making a good main road that will give ready access to the interior of the Territory, in building Police Stations, and in preparing a cadastral survey, without which, arrangements cannot be made for the payment of Crown Rent and the settlement of land claims, after which I expect to see a rapid development of that portion of the district surrounding the harbour of Hongkong, where the taking over of the Territory has increased the value of land, in some instances literally a thousand-fold, but over every acre of which disputed claims await adjustment by the Land Court. The police expense of the New Territory is also a heavy item, as armed robbery on land and sea is a very common offence, and our preventive patrol system is costly as compared with the somewhat drastic Chinese system of disregarding those local irregularities until they become intolerable, when a force is sent to punish the district by eating it out, or, if necessary, destroying a village or villages. Beyond affording protection and bringing home to the people the fairness and justice of the British system of government, nothing can be done in the New Territory until the land claims have been settled. When that has been done, nothing will remain to prevent its development on a sound and stable basis. The people are intelligent and industrious, and, I am informed, that there is ample capital only awaiting the security of a valid title to be devoted to various agricultural and manufacturing ventures.

11. At present the staple crops are rice, sugar, sweet potatoes, and vegetables. Possibly the rice cultivation is as good as we can make it, but the sugar cultivation is capable of great improvement, and I have reason to believe that sericulture will

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* See Colonial Report (Miscellaneous) No. 18.

be tried on a large scale, while I see no reason why, with the further propagation of succulent grasses already growing in the Colony, the hills north of the Kowloon range and the island of Lantao should not support a sufficient number of cattle to render Hongkong independent of the supplies now procured from the West and North Rivers.

12. Unfortunately during the year the large river steamers that traded between Hongkong and the West River treaty ports were withdrawn in consequence of the difficulties that beset them on account of the strained interpretation by the Imperial Maritime Customs of the inland navigation agreement. The Companies interested asked no more than that they should have the liberty to carry passengers to and from any place on the river, undertaking to confine the carriage of cargo and parcels to the ports and stages already agreed upon, and being prepared, if necessary, to carry a Customs Official on board and to conform to every local regulation as to inspection, &c. This proposal, which I made personally to the Viceroy Li Hung Chang, when on his way to the North, to the Tsung-li Yamen, and to Sir Robert Hart, was accepted by all three. It was referred to a Committee in Canton appointed by the Acting Viceroy, and, for some reason that I have not discovered, it was recommended by them that the proposal should be rejected. I hope that the proposal may yet be accepted, as its adoption would be effective in checking the piracy so difficult to cope with on the West River, by affording to Chinese travelling to Canton with valuable property, or returning with large sums of money, a safe means of transit to their own towns in a British steamer carrying a regular guard.

13. On the 9th of November the Colony was visited by a very severe typhoon, the centre of which passed over the town and harbour. Although due notice had been given of its approach, there was but little precaution taken, as it was assumed that at this season no typhoon would be more violent than an ordinary gale at most. There had been, besides, several typhoons signalled during the summer, the tracks of which went north or south of Hongkong, so people had become careless. The wind reached typhoon force about 10 o'clock at night, the smaller vessels having taken shelter from the north-easterly gale. At 4 a.m. the centre passed over the harbour, and the wind suddenly veered to South-west, when the boats, junks, and steam-launches found themselves on a lee shore. At 7 o'clock, 10 launches and over 110 junks were sunk, and the harbour was a mass of wreckage. H.M.S. *Sandpiper* sank at her moorings, and a large dredger just out from England foundered. Over 200 lives were lost in those fatal three hours. As soon as a launch could live, I went along the shores of Kowloon, the whole sea face of which was a mass of wreckage, among which the Chinese were already hard at work to effect what salvage they could, and I found that the Directors of the Tung Wah Hospital—a charitable Chinese

institution—had at once sent out two steam-launches with all the appliances for affording immediate assistance. I mention the fact as I find a widespread idea that the Chinese among themselves are callous and uncharitable—an impression that is entirely opposed to my experience. After the hurricane, a public meeting was held, and a Committee formed to collect subscriptions. In a few days twenty-eight thousand four hundred and thirty-four dollars were subscribed, of which the Chinese subscribed twenty-one thousand three hundred and sixty-three dollars.

14. In the early part of the year the Colony had subscribed $153,555 to the South African War Fund, so that within twelve months the European and Chinese people of the Colony voluntarily contributed to patriotic and charitable purposes the sum of $181,990, over and above the ordinary charities of the Colony, a sum equal to over 5½ per cent. of the amount of the public revenue.

I have, &c.,

HENRY A. BLAKE,

Governor, &c.

Colonial Secretary's Office,
Hongkong,
15th August, 1901.

SIR,

I HAVE the honour to submit herewith the following Report on the Blue Book for 1900:—

I.—FINANCES.

(a.) *Revenue.*

1. During the last five years the revenue of this Colony has shown a steady increase, which has more than counterbalanced the increasing expenditure. In 1895 the balance of revenue over expenditure showed a deficit of $486,144.12. In 1900 not only had this deficit been made good, but, notwithstanding an expenditure exceeding that of 1895 by $655,904.12, the revenue of Hongkong showed a surplus of $574,140.37.

2. The actual revenue for 1900 was $3,235,329.61, exclusive of the amounts derived from Land Sales and the Water Account, which amounted to $816,222.92 and $151 034.87 respectively.

(b.) *Expenditure.*

3. On the other hand the Expenditure amounted to $3,628,447.13, of which a sum of $473,205.89 was expended on Public Works Extraordinary.

(c.) *Land Sales.*

4. The amount received from Land Sales, $816,222.92, showed an excess over the Land Sales in 1899 of $198,398.20.

5. I append tables* showing:—

(a.) The heads of revenue.

(b.) The heads of expenditure.

(c.) The total revenue and expenditure for the six years—1895-1900.

(d.) The assets and liabilities of the Colony.

(e.) The amount of paper currency in circulation.

(d.) *Taxation.*

6. Taxation in Hongkong still remains comparatively light, though the cost of living is high, owing to the increase in the price of food and the difficulty of obtaining house accommodation at a reasonable figure. There were no important changes in Taxation during the year.

(e.) *Public Debt.*

7. In 1899 the Sinking Fund, which was created three years previously with a view to gradually paying off the public debt of £341,799 15*s*. 1*d*., incurred by Government for the purpose of defraying the cost of certain Public Works, some of them, such as Markets and Waterworks, of a remunerative nature, stood at £12,625 18*s*. 11*d*., and during the past financial year it rose to £16,485 13*s*. 2*d*.

8. With provision so satisfactorily made for the liquidation of the public debt, and with a revenue naturally increasing from year to year, the financial stability of the Colony appears to be assured.

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

(a.) *Imports and Exports.*

1. I append tables* showing:—

(a.) The principal articles of import during the years 1899 and 1900 in vessels of European construction.

(b.) The total tonnage of imports and exports for the last five years.

(c.) The imports and exports of junks in foreign and local trade during 1899 and 1900.

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* Not printed.

2. The total import trade of the port for 1900 amounted to 23,205 vessels, of 8,626,614 tons, carrying 6,342,138 tons of cargo, of which 4,198,389 tons were discharged at Hongkong. This does not include the local junk trade. The nett increase in imports thus amounted to 422,717 tons.

3. In exports there was a decrease of 70,666 tons.

4. The chief articles of import are coal, rice, sugar, and flour. Tea, kerosine oil, rice and paddy, and general cargo are the principal exports.

5. There has been a great increase in the amount of sugar imported, amounting to no less than 76.6 per cent. Similarly the import of timber, flour, coal, and hemp shows increases of 66.1 per cent., 65.7 per cent., and 60.7 per cent. respectively. The trade in bulk oil is almost at a standstill as compared with last year; but case oil shows a decrease of 10,609 tons. The rice trade, which reached its culminating point last year, has diminished by 98,801 tons, and may now be said to be at its normal condition.

(*b.*) *Mines, Manufactures, and Fisheries.*

6. There are no mines in the Colony; but there are granite quarries situated at Shaukiwán and Kowloon, the output of which during the year under review was valued at $45,000 and $80,000 respectively.

7. The industries of the Colony include dock work, launch building, boat building, cement manufacture, paper making, sugar refining, brick and tile making, rope making, iron foundries, boiler making, glass manufacture, vermilion manufacture, and opium boiling. One hundred steam launches and other vessels, with a total burden of 3,755 tons, were built in the Colony during the year. The dock accommodation is to be largely increased in the near future.

8. The number of ships and boats employed in fishery during the year may be roughly estimated at 7,000; but it is impossible to ascertain the description and the quantity of fish caught, or the actual value of the fishing trade.

9. Two thousand nine hundred and three (2,903) rowing boats, 2,030 cargo boats and lighters, and 92 steam launches were licensed to ply for hire within the waters of the Colony during the year.

(*c.*) *Agricultural Industries and Botanical Stations.*

10. It is estimated that in 1900 the acreage of cultivated land in the island of Hongkong was 406 acres; in Kowloon 404 acres; and in the New Territory, including the islands, about 90,000 acres. Beyond the cultivation of rice and sugar, and of vegetable gardens, there is practically no agricultural industry in

the old Colony or in the New Territory. It is proposed to try an experimental stock farm in the New Territory, where, if the grass be found good, it ought to be possible to rear cattle required for consumption in Hongkong. The industry of cattle raising in the New Territory seems never to have been attempted beyond the number required for field work.

11. The revenue from plant sales was $761.80, an increase of $135.20 over that for 1899. The revenue from loan of plants was $55.39 less than in the previous year. The Government does not make any profit over the sale or loan of plants, the public obtaining them at a price which only covers the actual cost of production.

12. The quantity of land under sugar cultivation in the New Territory is estimated at over 7,000 acres.

13. The advisability of establishing an experimental garden in the New Territory, for the purpose of testing the suitability of economic plants to the soil and climate, is under consideration.

14. Five thousand five hundred and eighty (5,580) trees were planted in Hongkong Island during the year, and 81,154 in the New Territory.

15. The year has been fortunate as regards forest fires, only 25 having been reported, with a destruction of 2,067 trees, as compared with 52 fires and 13,299 trees in the previous year.

(d.) *Land Grants and General Value of Land.*

16. I append a table* giving particulars of land sales, extensions, and grants on short leases made during the year under review.

17. The owners of 53 lots on the Praya Reclamation, amounting to 290,239 square feet, were permitted to enter into occupation. This Reclamation, authorised by Ordinance No. 16 of 1889, was commenced in 1890, and is now approaching completion. An area of 50 acres has been reclaimed, and the remaining area, amounting to about ten (10) acres, is more than half finished.

18. There were two free grants of land at Kowloon—one of 30,000 feet to the Church Missionary Society for the erection of a Home for Chinese girls at Kau Pui Shek; and the other of 15,000 square feet to the Hildesheim Mission for Blind Girls at To Kwa Wan.

19. The principal item under extensions during the year was Quarry Bay Marine Lot 2, the area so granted amounting to 323,800 square feet, Crown rent $1,487, and premium $32,380. This extension has been purchased for the purpose of constructing a dock.

20. Seven lots in Hongkong were granted on short leases, while at Kowloon similar grants of seven inland lots were made.

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* Not printed.

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21. The demand for land, as evidenced by the larger sales effected, necessitated an unusual amount of work in the survey branch. Special surveys were also made in connection with extension of water storage in Tytam Valley and the military reserve north of Austin Road, Kowloon. In all, it is estimated that nearly 1,000 acres were surveyed.

(e.) *Shipping.*

22. I append tables* showing:—

(*a.*) The comparative shipping return for the years 1899 and 1900.

(*b.*) A comparative statement of the total shipping entered and cleared between the years 1896-1900 inclusive.

(*c.*) An analysis of shipping (British and foreign steamers) entered and cleared in 1899 and 1900.

(*d.*) An analysis of shipping (British and foreign sail) entered and cleared in 1899 and 1900.

(*e.*) A return of junk shipping in 1899 and 1900.

23. The tonnage of British ships entering the harbour of the Colony during 1900 was 4,588,610 tons, and clearing 4,566,588 tons.

24. The German shipping showed next with 959,173 tons entering and 958,571 clearing.

25. Then follow in order the Japanese, French, Chinese, American, Norwegian, and Austrian flags.

26. The tonnage of Chinese junks entering and clearing was 1,604,632 and 1,620,224 respectively; and of Chinese ships, other than junks, 136,765 and 138,507 respectively.

27. The total of foreign ocean-going tonnage which entered and cleared was 2,425,086 and 2,425,311 respectively.

28. The comparative shipping return for the years 1899 and 1900 shows, in the case of vessels under the British flag, an increase of 103 ships, measuring 430,182 tons; but there was a decrease in the river trade under the British flag of 111 vessels of 58,317 tons. This may be ascribed to the fact that certain British steamers engaged in the West River trade were sold.

29. Many of the Chinese merchant steamers were transferred to the British flag. There was an increase in the percentage of "tramp" steamers, principally carrying coal. The size of many of the steamers of the regular lines on the home routes, especially of the German Steamers, has increased in a marked degree.

30. The Scottish Oriental Steamship Co. was transferred to the German flag, thus increasing German tonnage by 62,057 tons in arrivals, and 68,806 tons in departures.

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* Not printed.

31. As compared with 1899, the British tonnage increased by 4.93 per cent., and the foreign tonnage by 3.20 per cent.

III.—LEGISLATION.

1. There were in all 36 Ordinances passed during last year. Of these, six were Naturalization Ordinances, while 17 were concerned with the amendment of Ordinances already in force.

2. Three Ordinances were passed in connection with the New Territory, by far the widest in scope being Ordinance No. 30, under which the operation of such laws of this Colony as were not already in force in the New Territories was extended to a certain portion of those territories.

3. It was during last year that the Chief Justice, Sir John Carrington, made his generous offer to prepare a new edition of the Hongkong Ordinances, and accordingly at the close of the year a Bill was passed to make provision for the preparation and publication of a new and revised edition of the Statute Laws of the Colony. The first step was thus taken towards a much needed codification of the laws of Hongkong.

4. Ordinances were also passed for the establishment of a hospital for infectious diseases in connection with the Tung Wa Hospital; for the imposition of fees for the issue by the Government of Hongkong of certain certificates to certain Chinese; and for the provision of more effectual means to ensure the observance, by those in charge of certain steam-launches, of reasonable precautions against piracy and robbery.

IV.—EDUCATION.

1. At the close of 1900 there were in this Colony 13 Government schools and 91 Grant-in-aid schools, purporting to give an education to 7,481 children. Of this number, no less than 1,440 scholars are claimed by Queen's College. The remaining 103 schools are thus left with an average of not quite 59 pupils each, the smallest number in any given school being 12. This state of affairs cannot be considered satisfactory, and it seems desirable while diminishing the number of educational centres to cultivate greater uniformity in the system and object of teaching adopted by the various scholastic establishments.

2. There are five schools in the Colony—Queen's College being by far the most considerable—which give an education both in English and in Chinese. Twenty-one schools offer an education in English only, while in the remainder only Chinese is taught.

3. No satisfactory provision for the education of European children exists in Hongkong. Whilst European parents prefer to have their sons and daughters educated at home, a preference dictated by climatic and other reasons, there are not a few Europeans now in the Colony who are unable to afford to send

their children to Europe. It would seem only just that educational facilities which are at present wanting should be afforded for such children.

4. The education of Chinese should have as its two objects the instruction of the native pupils in their own language, and in English. Anything further would seem at present to be premature, save in the case of a very few exceptionally clever scholars. If the Chinese boy on leaving school is equipped with a sound knowledge of English, his so-called "secondary" education may confidently be left in his own hands, and its evolution will depend on circumstance and opportunity. It is more than doubtful whether this principle is at present realized with sufficient clearness.

V.—PUBLIC WORKS.

1. The total expenditure on Public Works during the year was a sum of $683,946.74. This shows an increase of $232,581.23 over the expenditure under this head in 1899.

2. The designs for the new Law Courts were prepared in England by the Consulting Architects to the Colonial Office. The plans for the piled foundations were prepared locally, a satisfactory contract for the work was let in July, 1900, and good progress has since been made.

3. A new Police Station was built on a site selected above the Cattle Depôts on the road leading to the Pokfulam Road. The work was completed on the 1st October. Police Stations are also being built at Saikung and Shataukok in the New Territory.

4. The Public Works Department Store at Wanchai was completed early in the year. All stores previously deposited at Crosby Store in Queen's Road and in a rented building on Praya East were then removed to the new store, where they were arranged and catalogued.

5. The construction of two new latrines was completed during the year, while three more are being built. A chair shelter for coolies has also been constructed at the Peak Tram Station.

6. Good progress was made on the Pokfulam Conduit Road during the year, and plans and estimates are ready for its completion as far as a junction with Robinson Road. It has been decided that the Harlech Road at the Peak should be taken over and completed by the military authorities, to give access to sites for batteries on the High West and for buildings beyond to the North of the hill's saddle. The trunk road to Táipó in the New Territory is still in course of construction.

7. A contract for building a Peak Residence for the Governor has been let, and fair progress was made during the year. The stone foundations of the main building are well advanced, and

the wood-work of the doors and windows was in course of preparation.

8. On the 29th November, the Governor opened to the public a new pier opposite the end of Pedder Street, 200 feet long by 40 feet wide, now known as Blake Pier. The base was designed to carry the new Clock Tower which it is proposed to erect to take the place of that which stands in Pedder Street, and which has become an obstruction to the traffic.

VI.—GOVERNMENT INSTITUTIONS.

(a.) *Hospitals.*

1. A total number of 2,913 cases were admitted into the Government Civil Hospital during the year 1900, showing an increase of 1 per cent. over the number of admissions in the previous year. Two hundred and twenty-five operations were performed, of which only seven ended fatally.

2. Fifty-four (54) cases were admitted into the Maternity Hospital, as against 36 in 1899. Six deaths occurred among the patients.

3. The hospital hulk *Hygeia* was not used during the year, as the accommodation at the Kennedy Town Hospital is now sufficient. It is proposed to use the *Hygeia* for quarantined passengers under examination.

4. One hundred and seven (107) cases of plague were treated at the Kennedy Town Infectious Hospital during the year, with a mortality of 77.5 per cent.; 83 cases ended fatally. Fifteen cases of beri-beri, with one death, were also treated.

5. The admissions to the gaol hospital numbered 495, as compared with 503 in 1899. Six deaths occurred from natural causes, and there were two executions.

6. The number of patients in the wards of the Tung Wa Hospital at the beginning of the year was 154; 2,981 were admitted during 1900, making a total of 3,135 cases treated. There were 1,267 deaths, the high rate of mortality being due to the fact that the lower classes of the Chinese community regard this hospital as not alone a place for the treatment of diseases, but also a refuge in which to die. A free site has been granted on the western side of Inland Lot 1,082 for the erection of a permanent branch hospital for the treatment of contagious diseases. This new hospital will take the place of the temporary matsheds which have hitherto been built for the reception of infectious cases.

(b.) *Lunatic Asylum.*

7. The Lunatic Asylum is divided into European and Chinese wards. 109 patients were admitted. There was an increase in the number of Chinese patients treated, viz., 97 as against 59 in 1899.

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(c.) *Reformatory.*

8. The Belilios Reformatory was opened during 1900, but at the close of the year no case had been admitted.

(d.) *Public Mortuary.*

9. During the year 1,712 bodies were removed to the Public Mortuary.

(e.) *Vaccine Institute and Government Laboratory.*

10. The Vaccine Institute has been working throughout the year under the Colonial Veterinary Surgeon, and the lymph has, as usual, given satisfaction. 321 articles were examined during the year in the Government Laboratory.

(f.) *Pò Léung Kuk.*

11. I append a return* showing the work of the Pò Léung Kuk, a society for the protection of women and children, for the year 1900. The number of persons admitted to the home was 337, as against 252 in 1899. The balance to the credit of the fund was $13,697.99 at the close of 1900, and the subscriptions for the year show an increase of $1,459.80 over the subscriptions for 1899. At the beginning of the year the services of a female teacher were engaged, and the inmates now receive regular elementary instruction.

(g.) *Fire Brigade.*

12. At the commencement of the year, the Nam Pak Hong Fire Brigade was re-organized and placed under the immediate supervision of the officers of the Government Fire Brigade, which is itself a sub-department of the Police and under the control of the Captain Superintendent of Police. The Nam Pak Hong now maintains, at its own cost, six trained firemen, while two firemen of the Government Brigade reside in the station house with them.

13. There were 51 fires and 74 incipient fires during the year, causing an estimated damage of $130,599.73 and $729.10 respectively. The brigade turned out 61 times during the year.

(h.) *Police.*

14. The total strength of the Police Force, which stood at 630 in 1898, and at 827 in 1899, has been increased to 929, an increase necessitated by additional work in connection with the New Territory. To keep pace with this increase in the numbers of the men, the staff of officers, which had previously consisted

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* Not printed.

only of a Captain Superintendent of Police and a Deputy Superintendent of Police, was doubled by the appointment of two Assistant Superintendents of Police, though only one of these was actually employed in police work during the year.

15. New Police Stations at Kennedy Town and at Shataukok were completed and occupied by the Police on the 1st and 20th October respectively, while new stations are also in course of construction at West Point and at Saikung.

16. The conduct of the contingent was on the whole satisfactory, several sergeants and constables being rewarded for their energy and zeal.

(*i.*) *Prison.*

17. Victoria gaol at the present time contains 500 separate cells and 14 association cells. It is thus possible to confine 514 persons on the separate system; while in case of emergency 570 persons could be confined by placing five prisoners in each association cell. The daily average of prisoners in the gaol numbered 486 in 1900, as compared with 434 in the previous year, and 510 in 1898. The sanitary condition of the gaol was good.

18. There were 125 prisoners convicted from the New Territory during the year.

19. One hundred and seventy-six (176) prisoners were employed on non-productive labour during 1900. The remaining 310 were utilised either in manufactures, in building, or in the service of the prison, and the profit on this labour for the year amounted to $8,394.25.

VII.—JUDICIAL STATISTICS.

1. I append tables* showing:—

(*a.*) The number of summary convictions in the Police Court for various classes of offences, and the kind of punishment inflicted.

(*b.*) The number of indictments and informations in the Supreme Court of Hongkong.

(*c.*) A comparison of the number of offences, apprehensions, convictions, and acquittals for the last five years.

2. There was an increase in serious offences of 140 cases, or 4.12 per cent., and in minor offences of 710 cases, or 12.6 per cent. It was found early in the year that one Police Magistrate could not cope with the constantly increasing work, and accordingly a Magistrate was appointed to hear cases at Táipó, in the New Territory, while a Second Magistrate was also appointed to act in the Police Court at Victoria.

3. Two murderers were convicted and hanged in 1900.

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* Not printed.

VIII.—VITAL STATISTICS.

(a.) *Population.*

1. The population of the Colony, at the Census taken in January, 1897, was 248,880, while at the Census taken in January, 1901, it was 283,975, exclusive of the Army and Navy, which amounted to 13,237 (Army 7,640, Navy 5,597). The total population of the Colony, including the Army and Navy, was estimated at 283,418 up to the middle of 1900.

2. The population of the New Territory, which is exclusively Chinese, was estimated at 100,000 in the year 1899.

(b.) *Public Health.*

3. Nine hundred and thirty-nine (939) births and 6,773 deaths were registered during the year. This is equal to a general birth-rate of 3.3 per 1,000, as compared with 4.3 per 1,000 in 1899, and to a general death-rate of 23.9 per 1,000, as compared with 23.8 per 1,000 in 1899.

4. The Matshed Hospital at Kennedy Town was re-opened for the reception of plague cases, and was in use from the 16th May to 15th August. The number of admissions was 224, of whom 200 died. In addition to this, 107 cases of plague were treated in the Kennedy Town Hospital itself, with a mortality of 77.5 per cent. The total number of cases reported during the year was 1,082, and the total number of deaths was 1,034, as against 1,486 and 1,428 in the preceding year.

5. There were only 17 deaths from small-pox last year; whereas in the three previous years the numbers had been 35, 110, and 209. This continued decrease has resulted in a marked apathy in regard to vaccination, the total number of vaccinations recorded being 2,123 less than in 1899.

6. The number of deaths from beri-beri almost doubled during the year, the disease being confined to the Chinese population.

7. Malarial and enteric fevers were more prevalent than in 1899. There was a considerable mortality among the troops from malarial fever.

8. In connection with this question of malaria an interesting experiment was tried. The military sanatorium has been abandoned for several years on account of the continued suffering of the troops stationed there from malarial fever. Under the advice of Dr Young, employed in the China Expeditionary Force, the brushwood was cut down for a distance of three to four hundred yards, swampy places were drained, and anopheles pools filled in. For several months a company of Indian troops has been stationed at the sanatorium, and the health of the men is excellent.

HONG KONG, 1900.

(c.) *Sanitation.*

9. Under the provisions of the Insanitary Properties Ordinance of 1899, a large number of buildings throughout the Colony have now been provided with back-yards. The result is a perceptible improvement in the lighting and ventilation of the back part of these dwellings.

10. The questions of the excessive height of buildings, and of the resumption of insanitary or obstructive buildings are also engaging the attention of the Government.

11. The City of Victoria is divided into ten Health Districts, with an Inspector of Nuisances in charge of each. There are also five first-class Inspectors for the City, each of whom has the general supervision of two districts.

12. Of the ten Health Districts, Nos. 5 and 6, which are situated in the centre of the city, show acute surface over-crowding, while Districts 9, 4, 8, and 7 are almost as densely crowded. The average density of population in the whole city is 126 persons per acre, or a percentage of 65 persons per acre in excess of that of Glasgow, itself the most densely crowded of the 36 large towns of Great Britain. It is hoped that the projected construction of tramways from East to West Point may help to relieve this congestion.

13. Towards the close of the year the Sanitary and Building Ordinances of the Colony were extended to that portion of New Territory between the shore and the first range of the Kowloon hills, thus bringing an area on the mainland of 18 square miles, with a sea-frontage of some ten miles, within the jurisdiction of the Sanitary Board.

(d.) *Climate.*

14. The total rainfall for the year was 73.73 inches, as compared with 72.7 inches in 1899. The wettest month was June, the driest was September.

15. The average daily amount of sunshine throughout the year was 5.03 hours, and on 28 days only was no sunshine recorded.

16. The average monthly temperature during the year was 71.6° F., as compared with 71.9° in the previous year. The monthly temperature was highest in August and lowest in January. The highest recorded temperature during the year being 97° F. in the former month, and the lowest 37.5° F. in the latter.

17. I append a table* showing the direction and force of the wind. The most memorable storm during the year was the typhoon of the 9th and 10th November.

That typhoon began on the night of the 9th, increasing in intensity with the wind from N.E. About 3 a.m., the centre passed over Hongkong, when the wind blew with terrific force from the S.W., and within four hours over 110 junks and 10 steam-launches were sunk, with a loss of about 200 lives. H.M.S. *Sandpiper* sank at her moorings, her crew being, with one exception, gallantly rescued by H.M.S. *Otter*, under command of Lieutenant Wilkin, R.N. The dredger *Canton River*, a large vessel just out from England for work on the Naval Dock, was also blown over and sunk. One man was washed off the wreck. The remainder of the crew were rescued with difficulty by a boat from H.M.S. *Tamar*, under command of Lieutenant the Honourable Fitz Walter Butler, R.N.

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* Not printed.

IX.—POSTAL AND TELEPHONE SERVICE.

(*a.*) *Post.*

1. The troubles in the North of China, and the consequent despatch of the China Expeditionary Force, added very considerably to the work of the Post Office. There was a nett increase of 387,050 in the total of international and local correspondence dealt with as compared with the previous year.

2. The Indian Postal Administration opened a Base Post Office in Hongkong, and to that office everything received at the General Post Office for the China Field Force was immediately sent.

3. The trouble in the North has also delayed the completion of the Convention for the Partial Postal Union between this Colony and China, which had already been forwarded for execution. This Convention should certainly be completed as soon as circumstances will permit.

4. The sale of stamps in Hongkong realized $217,612.24, or $820.79 more than in the previous year. It is hoped that the increasing volume of correspondence will gradually remove the loss of $16,404.32 which was incurred in 1899 owing to the adoption of the penny postage to the United Kingdom and to the majority of the British Colonies.

5. The nett profit on the year's transactions at the Hongkong Post Office was $90,340.25. This shows a gratifying increase of $10,333.65 over the previous year's balance.

(*b.*) *Telephones.*

6. All the Government telephone lines have been kept in good repair. Considerable expenditure was found to be necessary in the New Territory, where most of the poles are of timber. The Police Station at San Tin was connected by telephone with

Táipó, new switchboards were installed at the Central and Tsim Shá Tsui Police Stations, whereby a great improvement in efficiency was effected.

X.—MILITARY FORCES AND EXPENDITURE.

1. I append a return* showing the number and nature of the military forces employed in the Colony during 1900.

(a.) *Regular Forces.*

2. The total strength of troops in garrison on the 30th June was 2,116, as compared with 3,098 in the previous year. There were in addition 81 British women with 150 British children, and 82 Asiatic women with 139 Asiatic children on the strength. The reduction in the number of the troops in the Colony at the mid-year is explained by the absence of a large number on service with the China Expeditionary Force in the North.

3. At the Census taken in January, 1901, there were 5,501 officers and men, with 2,139 camp followers resident in the Colony, making a total of 7,640.

4. The Colony contributed $591,789.78 (17½ per cent. of its revenue) in aid of military expenditure in Hongkong, besides $24,800.00 for defence works, making a total of $616,589.78. There was no expenditure towards barrack service during the year.

(b.) *Volunteer Forces.*

5. The total establishment of the Volunteer Corps was 366 of all ranks, as against 350 in 1899.

6. The expenditure on this Corps, which is borne entirely by the Colony, was $39,096.33 for the year.

(c.) *Constabulary.*

7. The European Police, 153 in number, and the Indian Police, 366 in number, are a Constabulary Force, being armed with Martini-Enfield carbines.

GENERAL.

Taking everything into consideration, I think the general progress of the Colony, during the year 1900, may be regarded as satisfactory. Its financial position is sound, and its trade has been good. The recurrence of plague is the most unsatisfactory feature. Every effort should be continued to get rid of this pest. It is sincerely to be hoped that those improvements in the sanitary condition of the Colony, which all desire to see effected as soon as possible, may help to get rid of this disease altogether, or at any rate prevent its becoming a regular visitor.

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* Not printed.

J. H. STEWART LOCKHART,
Colonial Secretary.

His Excellency
Sir Henry A. Blake, G.C.M.G.,
Governor, &c.

LONDON:
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1901.

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No. 369.

HONG KONG.

REPORT FOR 1901.

(For Report for 1900, *see* No. 340.)

Presented to both Houses of Parliament by Command of His Majesty.
October, 1902.

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COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
346	Northern Nigeria	1900–1901
347	British Solomon Islands	"
348	Lagos	1900
349	British Guiana	1900–1901
350	St. Vincent	1900
351	Jamaica	1900–1901
352	Cocos Islands	1901
353	Southern Nigeria	1900
354	Bermuda	1901
355	Gambia	"
356	Falkland Islands	"
357	Northern Territories of the Gold Coast	"
358	Malta	"
359	Gibraltar	"
360	Straits Settlements	"
361	Sierra Leone	"
362	British Honduras	"
363	Turks and Caicos Islands	"
364	Seychelles	"
365	Bahamas	1901–1902
366	Fiji	1901
367	Ceylon	"
368	Barbados	1901–1902

MISCELLANEOUS.

No.	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.
13	Cook Islands	Trade, 1899.
14	Bahamas	Fibre Industry.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies	Medical Reports.
17	Gilbert and Ellice Islands	Report for 1896–1900.
18	Hong Kong	Operations in New Territory during 1900.
19	Miscellaneous Colonies	Medical Reports.
20	Wei-Hai-Wei	General Report.
21	Dominica	Report on Caribs.

No. 369.

HONG KONG.

(For Report for 1900, *see* No. 340.)

ACTING-GOVERNOR GASCOIGNE to MR. CHAMBERLAIN.

Government House,
Hong Kong, August 29th, 1902.

SIR,

I HAVE the honour to submit the following general Report in connection with the Blue Book for 1901.

I.—FINANCES.

The Revenue for the year 1901, exclusive of land sales, was $3,973,578, or $636,523 more than the estimate; inclusive of land sales the total Revenue was $4,213,893. The Expenditure, exclusive of the cost of Public Works Extraordinary, was $3,723,249, or $455,317 more than the estimate; including the heavy outlay on Public Works Extraordinary, the total expenditure was $4,111,722. There was thus an excess of Revenue over Expenditure of $102,171.

The sources of Revenue which proved most productive and were chiefly responsible for the excess of actual over estimated receipts were the opium monopoly, the assessed taxes, chair and jinricksha and some other forms of licences, the Post Office, and stone quarries.

The items which yielded a smaller sum than the estimate were not numerous, and represented no very large amounts, with the exception of the item of New Territory Land Revenue, from which a sum of $140,000 had been anticipated and only $28,783 received. This return, however, compares well with that of 1900, when only $1,300 was collected from this source. As has already been pointed out in New Territory reports, the difficulties in connection with the settlement of land claims make the collection of Crown rent a slow process.

The figures quoted above do not represent the whole of the revenue derived from the New Territory during 1901, as they do not include its share in the considerable increases to General Revenue derived from the opium monopoly and other miscellaneous sources.

The amount realised from land sales was much less than that realised in 1900. In that year more than $816,000 was received from this source; in 1901 only $240,315, or nearly $160,000 less than the estimate.

(A.) GENERAL REVENUE AND EXPENDITURE.

The following is a brief abstract of the heads of Revenue and Expenditure for 1900 and 1901:—

Revenue.

—	1900.	1901.	Increase.	Decrease.
	$	$	$	$
Light dues	55,379.38	58,375.98	2,996.60	—
Licences and internal revenue not otherwise specified	1,847,272.78	2,270,145.69	422,872.91	—
Fees of court, &c.	285,386.11	284,453.22	—	932.89
Post Office	325,603.33	355,912.74	30,309 41	—
Rent of Government property	482,777.27	555,469.58	72,692.31	—
Interest	—	1.14	1.14	—
Miscellaneous	238,910.74	280,100.36	41,189 62	—
Water account	151,034.87	169,119.45	18,084.58	—
Land sales	816,222.92	240,315.06	—	575,907.86
Total ... ... $	4,202,587.40	4,213,893.22	588,146.57	576,840.75
		Deduct Decrease ... $	576,840.75	
		Nett Increase ... $	11,305.82	

Expenditure.

—	1900.	1901.	Increase.	Decrease.
	$	$	$	$
Charge on account of public debt...	153,363.07	162,363.84	9,000.77	—
Pensions, departmental expenditures, military contribution, &c.	3,001,878.17	3,560,885.60	559,007.43	—
Public works extraordinary	473,205.89	388,473.05	—	84,732.84
Total ... ... $	3,628,447.13	4,111,722.49	568,008.20	84,732.84
		Deduct Decrease ... $	84,732.84	
		Nett Increase ... $	483,275.36	

	$
Revenue for 1901	4,213,893.22
Expenditure for 1901	4,111,722.49
Surplus	$102,170.73

Total Revenue and Expenditure for the Five Years 1897–1901.

—	1897.	1898.	1899.	1900.	1901.
	$	$	$	$	$
Revenue	2,686,914.70	2,918,159.24	3,610,143.25	4,202,587.40	4,213,893.22
Expenditure	2,641,409.71	2,841,805.20	3,162,792.36	3,628,447.13	4,111,722.49
Surplus	45,504.99	76,354.04	447,350.89	574,140.27	102,170.73

(B.) ASSETS AND LIABILITIES.

At the end of the year under review the total Assets of the Colony amounted to $2,023,581.60, and the Liabilities to $987,058.06, thus leaving a credit balance of $1,036,523.54, not including certain arrears of Revenue amounting to $61,132.

(C.) PUBLIC DEBT.

Loan Account.

Dr.	£ s. d.	*Cr.*	£ s. d.
To Inscribed Stock Loan at 3½ °/₀ interest, to be paid off on the 15th April, 1943.	341,799 15 1	By Sinking Fund	20,363 12 8

II.—TRADE, INDUSTRIES, FISHERIES, AGRICULTURE AND LAND.

(A.) TRADE AND SHIPPING.

The following table shows the principal articles of import in the year 1901 in vessels of European construction, compared with similar returns for 1900. The figures represent the tonnage:—

Articles.	1900.	1901.	Increase.	Decrease.
Beans	560	1,290	730	—
Coal	1,045,812	917,144	—	128,668
Cotton yarn and cotton ...	19,993	14,423	—	5,570
Flour	154,111	145,287	—	8,824
Hemp	54,105	31,195	—	22,910
Kerosine (bulk)	64,732	70,728	5,996	—
" (case)	69,979	77,977	7,998	—
Liquid fuel	2,759	3,973	1,214	—
Lead	2,350	260	—	2,090
Opium	3,194	2,872	—	322
Rattan	10,204	3,488	—	6,716
Rice	673,029	618,780	—	54,249
Sandalwood	3,811	5,272	1,461	—
Sulphur	22	55	33	—
Sugar	238,863	241,291	2,428	—
Tea	6,393	1,473	—	4,920
Timber	82,311	66,860	—	15,451
General	1,172,094	1,278,619	106,525	—
Total	3,604,322	3,480,987	126,385	249,720
Transit	2,143,749	2,134,585	—	9,164
Grand Total ...	5,748,071	5,615,572	126,385	258,884
		Nett	—	132,499

There was a considerable decrease in coal imports as compared with 1900, but the amount imported in 1900 was far above the average. The coal imports for 1898, also, were stated to have been abnormally large, but the returns for last year show an increase as compared with that year of nearly 100,000 tons.

The principal features to be remarked in the reported trade of the Port for the year 1901 are:—

(1.) A decrease in the coal imports of 12·3 per cent.

(2.) A decrease in the cotton imports of 27·8 per cent.

(3.) A decrease in the rice imports of 8 per cent.

(4.) A decrease in the timber imports of 18·7 per cent.

(5.) A decrease in the hemp imports of 42·3 per cent.

(6.) An increase in the general imports of 9·8 per cent.

(7.) Also small increases in case and bulk kerosine and in liquid fuel.

The nett decrease in import cargo is 123,335 tons or 3·4 per cent.

In exports there appears to be an increase of 150,823 tons or 7·7 per cent.

In transit cargo, a decrease of 9,163 tons or 10·4 per cent.

The import trade was very depressed throughout the year. In the interior of China there was much poverty, and trade was hampered by unauthorised exactions on goods beyond the confines of the Treaty Ports. The fall in the exchange of silver and the high values ruling on the home markets—especially in raw cotton and all cotton fabrics—also militated severely against this branch of trade.

The opium trade was far from prosperous during the past year. In the Bengal drug, owing to large stocks early in the season and a declining exchange in the latter half of the year, the business done, though considerable, was productive of loss to both importers and native dealers. The demand for Malwa was poor and disappointing, and the prices obtained left no margin for profit. Owing to the Formosan Government being practically the only buyer of superior Persian, the rates for this drug fell from $825 per picul, the opening quotation, to $640 per picul in the latter end of the year.

As regards the trade in Indian cotton yarn, the year under review shows a decidedly marked improvement over the previous twelve months.

The imports to Hong Kong and Shanghai, which showed a shrinkage of close upon 60 per cent. in 1900, increased again over 100 per cent. during the past twelve months, whilst sales in Hong Kong showed an excess of 45,715 bales and those in Shanghai of 69,083 bales.

A great and important movement has taken place which has opened the whole of the markets of inland China to the world. Manufacturers on the spot will certainly be unable, at least for some time, to meet the greatly increased demand which will thus be occasioned; and in the meantime India may fairly hope to reap some share of the harvest, more especially if Lekin—a veritable millstone round the neck of this trade—is effectually removed.

The following figures are of interest:—

Comparative Tables of Imports and Exports and Reported Sales of Indian Grey Yarn effected in Hong Kong and Shanghai during the years 1876 *to* 1901.

Year.	Imports to Hong Kong from India.	Direct shipments from India to Shanghai and Japan.	Total Imports to China and Japan.	Total Sales effected in Hong Kong.	Total Sales in Shanghai.
	Bales.	Bales.	Bales.	Bales.	Bales.
1876	17,598	—	17,598	6,758	—
1877	30,288	—	30,289	17,806	—
1878	37 799	—	37,799	30,031	—
1879	47,338	6,721	54,059	42,093	—
1880	60,265	3,980	64,245	49,571	—
1881	55,705	7,834	63,539	54,411	—
1882	82,286	6,458	88,744	77,945	—
1883	97,200	16,514	113,714	89,889	—
1884	137,075	12,858	149,933	112,450	—
1885	150,221	27,954	178,175	147,894	—
1886	175,291	50,089	225,380	142,974	—
1887	178,790	88,435	267,225	182,152	—
1888	187,368	90.242	277,610	182,198	—
1889	225,457	104,850	330,307	197,941	55,401
1890	209,689	167,353	377,042	187,330	104,016
1891	218,732	171,130	389,862	161,504	134,337
1892	237,569	186,305	423,874	219,189	154,386
1893	207,935	119,625	327,560	171,491	112,786
1894	237,260	146,121	384,381	169,117	129,938
1895	257,803	144,250	402,053	213,854	120,911
1896	256,367	244,376	500,743	215,375	151,935
1897	279,412	167,623	447,035	187,948	117,861
1898	308,978	168,467	477,445	221,144	147,678
1899	315,369	288,307	603,676	205,441	167,860
1900	153,610	110,409	264,019	152,277	125,796
1901	291,885	228,688	520,573	197,992	194,879

SHIPPING.

The total tonnage entering and clearing during the year 1901 amounted to 19,325,384 tons, being an increase, compared with 1900, of 880,248 tons, and the same in excess of any previous year. Of this increase, 165,128 tons are due to the fact that steam launches trading to ports outside the Colony have been included this year, whereas in former years they have been returned separately.

There were 45,349 arrivals of 9,681,203 tons, and 45,171 departures of 9,644,181 tons.

Of British ocean-going tonnage, 2,917,780 tons entered, and 2,897,200 tons cleared.

Of British river steamers, 1,697,242 tons entered, and 1,701,417 tons cleared, making a grand total of British tonnage of 9,213,639 tons entering and clearing.

Of foreign ocean-going tonnage, 2,637,552 tons entered, and 2,609,902 tons cleared.

Of foreign river steamers, 48,545 tons entered, and 49,503 tons cleared, making a grand total of foreign tonnage of 5,345,430 tons entering and clearing.

Of steam launches trading to ports outside the Colony, 82,564 tons entered, and 82,564 tons cleared.

Of junks in foreign trade, 1,631,272 tons entered, and 1,634,896 tons cleared.

Of junks in local trade, 666,248 tons entered, and 668,699 tons cleared.

Thus—

	Per cent.
British ocean-going tonnage represented ...	30·1
„ river „ „ ...	17·2
Foreign ocean-going „ „ ...	27·5
„ river „ „ ...	0·5
Steam launches „ „ ...	0·9
Junks (foreign trade) „ „ ...	16·9
„ (local trade) „ „ ...	6·9

The actual number of ships of European construction (exclusive of river steamers and steam launches) entering the Port during 1901 was 682, being 337 British and 345 foreign. Thus 682 vessels entered 3,570 times, and gave a total tonnage of 5,555,332 tons. A comparison of the Shipping Returns for 1900 and 1901 appears in the following table, from which it will be seen that though there was a large decrease in the number of vessels under the British flag (chiefly due to the withdrawal of some river steamers) there is an increase in British tonnage of 58,441 tons.

—	1900.		1901.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British	7,511	9,155,198	6,715	9,213,639	—	58,441	796	—
Foreign ...	3,429	4,866,969	4,092	5,345,502	663	478,533	—	—
Junks in foreign trade.	35,425	3,224,856	35,394	3,266,168	—	41,312	31	—
Total ...	46,365	17,247,023	46,201	17,825,309	663	578,286	827	—

The above table does not include junks in local trade, the business of which shows an increase of more than 700,000 tons over that of the preceding year.

The problem of providing berthing accommodation in the harbour for the ever-increasing tonnage frequenting the Port is one that is getting more difficult each year, and though there may not be any very pressing necessity just at present, there can be no reasonable doubt that, with the constant advance in size, draught, and number, as well of ships of war as of the mercantile marine, and of foreign as well as British shipping, the water space will soon be found inadequate.

The following tables, as showing the relative importance of the shipping conducted under the various national flags, will be of interest:—

Nationality of Vessels.	Entered.		Cleared.	
	Vessels.	Tons.	Vessels.	Tons.
American	111	155,667	104	147,711
Austrian	53	128,483	51	122,632
Belgian	9	12,407	9	12,407
British	3,360	4,615,022	3,355	4,598,617
Chinese	138	18,932	140	19,113
Chinese junks	17,736	1,631,272	17,658	1,634,896
Corean	1	796	1	796
Danish	12	25,903	12	25,903
Dutch	29	40,872	29	40,872
French	328	243,588	328	238,427
German	844	1,242,642	843	1,239,967
Italian	13	18,782	14	19,502
Japanese	336	692,981	333	688,140
Norwegian...	79	78,004	75	73,821
Portuguese	83	10,456	83	10,456
Russian	4	8,797	4	8,797
Siamese	—	—	2	407
Spanish	1	784	1	784
Swedish	7	6,923	7	6,923
No flag	1	80	7	2,747
Steam launches trading to ports outside the colony.	1,542	82,564	1,542	82,564
Total	24,687	9,014,955	23,056	8,892,918

(B.) INDUSTRIES.

During the year 1901 most of our local industries, which are chiefly carried on upon joint stock principles, were well employed throughout the year, with satisfactory results.

Cotton spinning by the local company was hampered by the plague. The results to original shareholders were not good, owing to the initial cost of the mill being higher than originally estimated. However, the capital was written down largely, and fresh capital brought in, with the effect that the present condition of the company is very satisfactory, and the future outlook promising. Improved dwellings for their operatives are shortly to be erected, and the system of piece work has been successfully introduced.

The sugar industry has been hampered by the large importations of Continental bounty-fed sugar into Japan and other markets which used to draw their supplies from here.

The shipping industry during 1901 was prosperous throughout the year.

Over-speculation in shares both here and in Shanghai has in many cases adversely affected the value of shares in several of the local undertakings, but I think that this is merely a temporary condition and that things will come to their normal level before long.

If the heavy fall in silver becomes permanent, it must eventually stimulate local productions in many directions, particularly in the repairing and docking of ships, as this work can be excellently done by Chinese under European supervision.

The local dock company is a large and well equipped institution, and the docking facilities of the Colony will, in the course of the next few years, be largely augmented by the Admiralty dock and by considerable works of the same sort at present under construction by Messrs. Butterfield and Swire at Quarry Bay.

The Hong Kong Dock Company are at present building a large river steamer for the Canton route, and if the result is satisfactory a considerable development in ship-building may show itself, especially if silver remains low.

The labour question—the crux of the industrial problem here—gives serious food for thought, and it is to be hoped that the extension of the boundaries of the Colony may make it possible to provide cheaper and healthier house accommodation for the labouring classes, so that the two chief elements of industrial prosperity—cheap labour and cheap money—may be successfully united.

At present, high rents and some unseen influence—probably Chinese guilds—militate against full advantage being taken of the abundant supply of labour in the adjoining provinces.

(C.) FISHERIES.

There are no fisheries of importance. The local demand for salt and fresh fish is met by fleets of fishing junks and a large number of net stations, and the fish that are required for salting are dried and salted on the beach. There is a very large local demand for fish from the Canton River, which are brought down alive in tanks in the daily passenger steamers.

(D.) Forestry, Botanical Science, and Agriculture.

The Forestry and Botanical Department is under the charge of a Superintendent and Assistant Superintendent, aided by a large staff of gardeners and foresters. Perhaps the most important work carried on by this Department is the planting of trees. Camphors have been planted as an experiment in the New Territory, but it is feared that they cannot be grown there so as to give an adequate return on the capital invested. The experiment was not successful, but will be repeated. Rubbers were also tried, but the climate is not suitable to this Central American and Malayan tree and most of the plants died in the cold season.

Much interesting botanical work is yearly carried on in Hong Kong. Mr. Ford, the Superintendent, has shown that the total number of plants, exclusive of mosses, lichens, sea-weeds and fungi, indigenous to Hong Kong, is 1,397, probably more than are indigenous to the whole of the British Isles. Plants and seeds are regularly interchanged with other botanical institutions, and the number of plants which are successfully introduced into the Colony by this means is constantly increasing. It is hoped that before long an experimental economic garden will be established in the New Territory for the purpose of introducing and distributing amongst the natives new plants of economic value.

The hilly character of the Island and its comparative absence of fertilising soil has prevented agriculture from becoming an active source of industry in Hong Kong. The acreage of cultivated land in the Island is a little over 400 acres only. The old dependency of British Kowloon, which is chiefly composed of level ground, contains almost the same amount of cultivated land. This, however, tends to diminish as buildings extend. The only part of the Colony where agricultural industries can be expected to thrive is the New Territory, which, though intersected by extensive ranges of barren hills, contains valleys where rice and sugar and other crops are grown with success. The acreage of cultivated land in the New Territory (including the islands) is not far short of 100,000, but much of this contains exceedingly poor soil and consists of minute holdings belonging to the poorest class of peasants. The Government has taken steps to introduce some better qualities of sugar-cane into the New Territory. Some attempts have been made to grow the mulberry but without success.

(E.) Land Grants and General Value of Land.

The available amount of building land in Hong Kong, except in the New Territory, is so limited that it has for many years commanded a very high price, and land premia and Crown rents form a considerable portion of the Colonial Revenue. Land in private hands has proved to be a most lucrative source of wealth to its owners, while at the same time its scarcity and high value have tended to raise house-rents to such an extent as to seriously embarrass large numbers of Chinese and European tenants. Very extensive reclamation works have been and are still being successfully carried out, and large areas of level building ground have thereby been created. It is hoped that before long a practical commencement will be made of a new reclamation which will extend from the naval dockyard in the centre of the town to Causeway Bay in the East.

The sales of Crown land in 1901 were, as has been already stated, much less than those in 1900.

III.—LEGISLATION.

Thirty-seven Ordinances were passed during 1901, of which fifteen were amendments of Ordinances already in force, and two were private Ordinances for the naturalisation of Chinese.

From the Imperial point of view perhaps one of the most important measures of the year was the first Ordinance, which raised the annual military contribution of the Colony from 17½ per cent. to 20 per cent. of the total gross revenue, exclusive of land sales and premia on leases or statutory land grants.

Ordinance 5 is perhaps the most important measure of the year. It is an Ordinance "to establish a Code of Procedure for the Regulation of the Process, Practice, and Mode of Pleading in the Civil Jurisdiction of the Supreme Court of the Colony." The Supreme Court was established by legislative enactment in 1845, and all its proceedings were regulated by the practice of the English Courts "unless and until otherwise ordered by rule of the said Court." Successive attempts at improving the Civil Procedure of the Court were made in 1855, 1856, 1858, 1860 and 1861, and led to the enactment of what is known as the Old Code of Civil Procedure, in 1873, which abolished the old distinction between common law and equity, and established a uniform procedure for the administration of both. Alterations were from time to time carried out during many subsequent years, and the new Code, which was drafted last year by Sir John Carrington, C.M.G., and enacted as Ordinance No. 5 of 1901, contains the final results, up to the present time, of all the changes and improvements which experience had found necessary.

Ordinance No. 13 of 1901—a Consolidating and Amending Public Health Ordinance—was an important measure which will probably, however, be partially superseded by new legislation during 1902.

IV.—EDUCATION.

The system and methods of education in the Colony are fully described in the Report for 1899, since which time there have been few changes. The whole system of education is at present under consideration, and may shortly undergo considerable modifications as the outcome of the deliberations of a special committee appointed towards the close of the year. A description of any changes which may take place should find a place in the next Report.

The principal school in the Colony is Queen's College, an institution which forms a distinct Government Department. The total number of pupils on the roll (European, Chinese and other Asiatics) is nearly 1,500. The average annual expenses of each boy are less than $18, and the total fees received by Government amount to over $28,000. There is a large staff of English and Chinese masters, who provide the pupils with an education which not only enables many of them to compete successfully in the Oxford local examinations but also fits them for important posts as interpreters and clerks in the Government service and in mercantile houses.

There is a growing feeling amongst both British and Chinese residents that the system of educating European and native children side by side in the same schools is not without its serious drawbacks. The subject has been fully dealt with in a Petition forwarded to you in September last, and the outcome will probably be the establishment of one or more good schools for European boys and girls and similar schools for the children of the better-class Chinese.

V.—PUBLIC WORKS.

The total expenditure on Public Works during the year was $687,325.70.

The principal work initiated was a greatly enlarged scheme for the construction of water-works to supply the Kowloon Peninsula with water by gravitation, the estimated cost of the work being $835,000. The reservoir to be constructed is situated in the New Territory, in connection with the development of which several works were in progress, principal among them being the road to Taipo, 16 miles in length.

Work was begun on an additional reservoir at Tytam for increasing the supply of water to the City of Victoria.

A number of buildings were in progress, including the new Law Courts, Harbour Office, Western Market, and Governor's Peak Residence.

A large Reclamation Scheme in front of the eastern section of the city, estimated to cost $5,000,000, was under consideration, and arrangements for the construction of an electric tramway, 9 miles in length, were nearly brought to a conclusion.

VI.—GOVERNMENT INSTITUTIONS.

(A.)—HOSPITALS.

Government hospitals consist of the Civil Hospital, to which is attached an isolated Lying-in Hospital, Kennedy Town Infectious Diseases Hospital, and the hospital hulk "*Hygeia.*"

The Civil Hospital contains 124 beds in 18 wards; the Lying-in Hospital 6 beds for Europeans and 4 for Asiatics; and Kennedy Town Hospital 78 beds. In 1901, 267 cases were treated at Kennedy Town, of which 204 were cases of plague, 42 of small-pox, and 15 of cholera.

Two thousand nine hundred and forty-eight (2,948) in-patients and 12,663 out-patients were treated at the Government Civil Hospital in 1901, showing a slight decrease in the figures for 1900. Malarial fever alone was responsible for over 800 admissions.

The Tung Wa Hospital, supported by voluntary subscriptions among the Chinese and only to a small extent endowed by the Government, takes the place of a Poor House and Hospital for the Chinese sick and destitute. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or those who are responsible for them.

(B.) ASYLUM.

The Lunatic Asylum is under the direction of the Principal Civil Medical Officer. European and Chinese patients are separated, the European portion of the Asylum containing 8 beds in 8 separate wards, and the Chinese portion containing 16 beds. Ninety patients of all races were treated during 1901, and there were 7 deaths.

(C.) THE CHINESE COLLEGE OF MEDICINE.

This institution was founded in 1887, largely through the efforts of Dr. Patrick Manson, Dr. Cantlie and others, for the purpose of teaching surgery, medicine and midwifery to Chinese. The government of the college is vested in the Court, of which the rector of the college, who has always been a Government official, is president. 57 students had been enrolled up to 1901, and of these 12 have become qualified licentiates, who have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science amongst the Chinese.

(D.) PO LEUNG KUK.

This is a Society, under the supervision of Government, for the protection of women and children. It has done much good work in connection with the suppression of brothel slavery, which was in Hong Kong, and still is in China, one of the gravest social evils. If the Registrar-General, who acts as president of the Society, has reason to believe that a girl is being sold into a life of prostitution against her will, or if she is, in his opinion, of too tender an age to judge for herself as to her mode of life, she is sent into the Po Leung Kuk, where she is fed, lodged, and, unless she has relatives who will receive her, appropriately educated until she has an opportunity of making a respectable marriage or of earning an honest livelihood by her own exertions. The institution is managed by a number of Chinese gentlemen who are annually elected as a Managing Committee.

The number of women and children admitted into the Home during the year was 389, being 52 more than in 1900. 187 were restored direct to parents or relatives or were sent to some benevolent society in China, 3 were adopted, 5 placed at school, and 50 were married.

(E.) REFORMATORY.

The Belilios Reformatory, presented to the Colony by Mr. E. R. Belilios, C.M.G., has not been occupied. It has been proposed to make use of the building, with the donor's consent, by turning it into a school. The matter is at present under consideration.

(F.) SAVINGS BANK.

There is no Post Office Savings Bank in Hong Kong. A branch of the Hong Kong and Shanghai Banking Corporation takes the place of such an institution in this Colony.

(G.) POLICE.

The total strength of the Police Force, which stood at 630 in 1898, 827 in 1889, and 929 in 1900, now stands at 920, including 145 Europeans, 366 Indians and 409 Chinese. The gradual diminution in armed robberies and lawlessness in the New Territory made it possible to withdraw a number of men from that part of the Colony during the year to strengthen the force in the city of Victoria and Kowloon. The executive staff now consists of a Captain Superintendent, a Deputy Superintendent, and two Assistant Superintendents. The conduct of all the contingents is reported to have been satisfactory.

Since the middle of the year the Chinese provincial authorities have maintained a force of soldiery along the northern boundary of the New Territory, who have co-operated with our Police in preventing the incursion of armed robbers into the Colony.

(H.) PRISON.

The daily average of prisoners confined in Victoria Gaol was 499, as compared with 486 for the year 1900. There were 180 convicts in the gaol on the 31st December, 1901, against 141 on the same date in 1900, 96 in 1899, 55 in 1898. This shows an increase of 125 per cent. during the past three years. This large increase is synchronous with and largely attributable to the inclusion of the New Territory in the Colony.

The total profit of all industrial labour amounted to $24,783 as compared with $17,458 for the preceding year. All minor repairs to the gaol have been carried out by prison labour. A new wing was completed and occupied by long-sentence prisoners early in the year.

The question of extending the prison accommodation in the Colony has been for some time engaging the attention of the Government.

The Superintendent of the Gaol is also Captain Superintendent of Police, and is assisted by an Assistant Superintendent, a medical officer, chaplains, and European and Indian warders.

(I.) FIRE BRIGADE.

The Superintendent of Fire Brigade is also Captain Superintendent of Police and Superintendent of Victoria Gaol. The European members of the brigade, with the exception of the engineer, are also members of the Police Force voluntarily enlisted, and for their services in the brigade they receive a small addition to their pay. There are also a number of Chinese foremen and engine-drivers. The brigade possesses a powerful floating fire engine for use in the harbour, four land steam engines, and 29 despatch boxes. The five fire engines were all built by Messrs. Shand and Mason.

There were 58 fires and 84 incipient fires during the year, and the brigade turned out 57 times. The estimated damage caused by the fires was $630,381 and by the incipient fires $212. The only year in which greater damage was done by fire was 1898, when the total damage was $829,814.

Towards the end of the year the work of extinguishing fires was rendered more arduous by the drought and the consequent want of water in the mains.

VII.—JUDICIAL STATISTICS.

The number of convictions in the Superior Courts during the last four years are as follows:—

—	1898.	1899.	1900.	1901.
1. For Offences against the Person ...	19	49	54	54
2. For Offence against Property ...	17	18	7	7
3. For other Offences...	3	10	12	21

The total of all cases reported to the Police was 9,172 as against 9,873 in 1900. This represents a decrease of 7·10 per cent. In offences which are classed under the term "serious" there was a decrease of 128 cases or 3·62 per cent.; in minor offences a decrease of 573 cases or 9·03 per cent. Three men were arrested and convicted for being members of an unlawful (the Triad) society. There was a notable decrease in piracies and armed robberies, partly no doubt owing to the efficacy of recent legislation on the subject.

VIII.—VITAL STATISTICS.

(A.) POPULATION.

The last Census was taken in January, 1901, when the population was found to be 283,975, exclusive of the Army and Navy. The numbers of those forces amounted to 7,640 and 5,597 respectively. In the middle of the year the population is estimated to have been as follows:—

Non-Chinese civil population	9,560
Chinese population	280,564
Army	5,462
Navy	5,074
	300,660

The New Territory was not included in the recent Census, but a fairly accurate enumeration of its population was made. It numbers about 100,000, which brings the total population of the Colony up to rather over 400,000.

It is significant that while the total increase in the population of the Colony during the five years between 1897 and 1901 was 35,095, the increase during the same period in the population of British Kowloon (which used to be a garden suburb of Victoria) was no less than 16,534, or nearly half the increase for the whole Colony.

There were 1,088 births during the year, and of that number 848 were Chinese. This is equal to a general birth-rate of 3·6 per 1,000, as compared with 3·3 in 1900, 4·3 in 1899, and 4·7 in 1898. Owing, however, to the large number of Chinese infants who die unregistered, it is estimated that a more correct birth-rate for the past year would be 4·7 per 1,000.

(B.) PUBLIC HEALTH.

As compared with the 1,088 births mentioned above, there were 7,082 deaths in 1901. This gives a death-rate of 23·5 per 1,000, as compared with 23·9 in 1900, 23·8 in 1899, and an average of 22·5 per 1,000 during the past five years. The deaths included 1,562 from bubonic plague, which again visited the Colony and ran its usual course. Excluding the deaths from plague, the death-rate for 1901 would have been 19·03 per 1,000. Among the non-Chinese the deaths numbered 412, of which 302 were among the civil population, 96 among the Army, and 14 among the Navy. This is equal to a death-rate of 20·5 per 1,000. The British deaths among the non-Chinese numbered 116; the rest were chiefly Indians, Malays and Portuguese.

One thousand six hundred and fifty-one (1,651) cases of plague were reported during the year, of which all but 89 were fatal. The disease showed an increased tendency to attack Europeans. The chief causes of death among the non-Chinese resident civil community were plague, phthisis, malaria and pneumonia. There were more cases of small-pox than usual, and some cholera cases were imported.

It is hoped that when the much-needed improvement in the sanitary condition of the city is effected, there will be a large decrease not only in the deaths resulting from bubonic plague but also in those from phthisis and other chest diseases, which are more or less directly attributable to overcrowded and insanitary dwellings.

It is to be regretted that the experiment of once more sending troops to reside in the building which was originally destined to be a military sanitarium has not proved successful, and the hopes expressed in the Report on the Blue Book for last year have not been realised. After a brief period of freedom from malaria, the troops stationed there began to be attacked in considerable numbers and had to be wholly withdrawn from the building, which now stands empty.

The treatment with larvicides of the breeding places of the anopheles mosquito is being actively continuel.

(C.) SANITATION.

In spite of the efforts of the Government, the Sanitary Board and the Legislature during the past few years, the sanitary state of the Colony still leaves much to be desired. The city of Victoria retains its unenvied pre-eminence in the matter of surface crowding, and in spite of the enforcement of the provisions of the Insanitary Properties Ordinance of 1899, the condition of the vast majority of the Chinese dwelling houses is far from meeting the requirements of modern sanitary science. As there seemed to be no prospect of amelioration without the adoption of more radical measures than had hitherto been attempted, and as the community showed by a petition which they addressed to you in the course of the year that they were prepared to face the heavy expenditure which stronger measures would certainly involve, Sir Henry Blake asked you to send out an expert to enquire into the sanitary state of the Colony and report upon the steps which in his opinion should be taken to remedy existing defects. In October, 1901, you informed Sir Henry Blake that you had selected Mr. Osbert Chadwick, C.M.G., a sanitary expert of wide experience and no stranger to Hong Kong, for this special work. About the same time you informed him that you had selected Professor Simpson, M.D., to pay a simultaneous visit to the Colony with a view to a thorough enquiry being made into the origin of bubonic plague, and the best means of providing against its annual re-appearance. A notice of the work done by these gentlemen, who had not yet arrived in the Colony at the end of 1901 will, it is hoped, appear in next year's Report. A certain result of their visit must be the introduction of legislative measures to consolidate and amend the present Health and Building Ordinances.

(D.) CLIMATE.

The average monthly temperature throughout the year was 72·1° F. as compared with 71·6° F. during 1900; the maximum monthly temperature was attained in July, when it reached 82·2° F., and the minimum monthly temperature was recorded in the month of February, being 54·8° F.

The highest recorded temperature during the year was 92·7° F. on August 3rd, and the lowest was 38·4° F. on February 4th.

The total rainfall for the year was 55·78 inches, as compared with 73·73 inches in 1900 and an average of 77·2 inches during the past ten years. The wettest month was May, with 14·10 inches, while there were also 14 inches of rain in the month of August; the driest month was January, with only 0·685 inch. The greatest amount of rain which fell on any one day was 4·23 inches on April 7th, while no rain fell on 213 days of the year; the relative humidity of the atmosphere throughout the year was 75 per cent. as compared with 77 per cent. in the previous year. The average daily amount of sunshine throughout the year was 5·5 hours, and on 35 days only was no sunshine recorded.

It may be mentioned that the rainfall of 1901 was less than half the rainfall of the year 1891. Taitam Reservoir, the principal source of water supply, was not filled throughout the year, and only one rainfall during the last 20 years (that of 1895) was lower than that of the year under review.

IX.—POSTAL SERVICE.

The cessation of the Boxer troubles in the North of China gave an impetus to trade, which was faithfully reflected in the steady increase in postal business.

The monthly sales of stamps showed an increase of $21,765, as compared with 1900, and for the first time since the adoption of the penny postage the revenue exceeded the highest revenue from the same source in former days. The returns from the Branch Post Offices at Shanghai and in China also show gratifying results.

The Revenue of the Department from all sources in 1901 was $355,912, and the Expenditure $273,685. The nett balance to the Hong Kong Post Office on the year's transactions amounted to $82,227.

X.--MILITARY FORCES AND EXPENDITURE.

(A.) Regular Forces.

The following return shows the number and nature of the forces employed in the Colony during 1901 :—

Corps.	European.			Indian.			Chinese.	Totals.
	Officers.	Warrant Officers.	N.C.O.'s and Men.	Officers.	Warrant Officers.	N.C.O.'s and Men.	N.C.O.'s and Men.	
General Staff	6	—	—	—	—	—	—	6
Garrison Staff	—	1	—	—	—	—	—	1
Royal Garrison Artillery	21	2	578	—	—	—	—	601
Hong Kong-Singapore Battalion, R.A. ...	12	—	9	8	—	437	—	466
Royal Engineers...	13	4	221	—	—	—	—	238
Chinese S. M. M. Co., R.E.	—	—	—	—	—	—	65	65
Second Battalion Royal Welsh Fusiliers ...	27	2	1,012	—	—	—	—	1,041
Army Service Corps	2	—	6	—	—	—	—	8
Royal Army Medical Corps	9	1	46	—	—	—	—	56
A.O.D. and Corps	7	—	52	—	—	—	—	59
A.P.D. and Corps	3	1	6	—	—	—	—	10
Ind. Sub-Med. Department	—	1	—	—	—	2	—	3
Educational Department	1	1	—	—	—	—	—	2
Hong Kong Regiment	13	—	—	17	—	898	—	928
22nd Bombay Infantry...	13	—	—	12	—	678	—	703
3rd Madras Light Infantry	10	—	—	16	—	652	—	678
5th Infantry Hyderabad Contingent... ...	13	—	—	15	—	671	—	699
Totals	150	13	1,930	68	—	3.338	65	5.564

(B.) COLONIAL CONTRIBUTION.

The Colony contributed $801,275 (being the statutory contribution of 20 per cent. of revenue) towards the cost of the maintenance of the regular forces in the Colony and barrack services.

(C.) VOLUNTEER CORPS.

The total establishment of the Corps is 351 of all ranks. The strength in 1901 was:—staff, 7; one field battery (80) of six 2·5 inch R.M.L. mountain guns; three machine gun companies (157) of four ·303 inch Maxim machine guns each; an infantry company (53); an engineer company (25); and a band (19).

The ·45 inch Maxim machine guns have been converted into guns of ·303 inch calibre.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $26,772.60.

I have, &c.,

W. J. GASCOIGNE,

Major-General,

Officer Administering the Government.

COLONIAL REPORTS—ANNUAL.

No. 393.

HONG KONG.

REPORT FOR 1902.

(For Report for 1901, *see* No. 369.)

Presented to both Houses of Parliament by Command of His Majesty.
August, 1903.

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COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
371	St. Helena	1901
372	British Solomon Islands	1901–1902
373	Jamaica	„
374	Leeward Islands...	„
375	Gold Coast	1901
376	Grenada	„
377	Northern Nigeria	„
378	British Guiana	1901–1902
379	Mauritius	1901
380	Basutoland	1901–1902
381	Southern Nigeria	1901
382	Trinidad and Tobago	1901–1902
383	Bermuda...	1902
384	St. Lucia...	1901
385	St. Vincent	„
386	Falkland Islands	1902
387	Gibraltar...	„
388	Wei-Hai-Wei	„
389	Sierra Leone	„
390	British Honduras	„
391	Gambia	„
392	St. Helena	„

MISCELLANEOUS.

No	Colony.	Subject.
1	Gold Coast	Economic Agriculture.
2	Zululand...	Forests.
3	Sierra Leone	Geology and Botany.
4	Canada	Emigration.
5	Bahamas...	Sisal Industry.
6	Hong Kong	Bubonic Plague.
7	Newfoundland	Mineral Resources.
8	Western Pacific...	British Solomon Islands.
9	Dominica	Agriculture.
10	Virgin Islands	Condition during 1897.
11	Grenada	Agriculture in Carriacou.
12	Anguilla	Vital Statistics, 1898.
13	Cook Islands	Trade, 1899.
14	Bahamas...	Fibre Industry.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies ...	Medical Reports.
17	Gilbert and Ellice Islands ...	Report for 1896–1900.
18	Hong Kong	Operations in New Territory during 1900.
19	Miscellaneous Colonies ...	Medical Reports.
20	Wei Hai-Wei	General Report.
21	Dominica...	Report on Caribs.

No. 393.

HONG KONG.

(For Report for 1901, *see* No. 369.)

GOVERNOR SIR H. A. BLAKE to MR. CHAMBERLAIN.

Government House,
Hong Kong,
22nd June, 1903.

SIR,

I HAVE the honour to submit, for your information, the following general Report on the Annual Blue Book for the year 1902.

I.—FINANCES.

The Revenue for the year 1902, exclusive of land sales, amounted to $4,329,712.48. Land sales for the year reached $571,361.22. The total Revenue from all sources was the therefore $4,901,073.70, or $295,108.70 more than the estimate. All the main sources of Revenue showed an excess over the estimated receipts with the exception of Interest on Credit Balances and the Water Account, which yielded $2,996.08 and $14,050.53 respectively less than the estimate.

Licences and Internal Revenue showed an excess of no less than $158,340.55 over the estimate, and there were also considerable excesses under Fees of Court or Office, &c., Post Office and Light Dues.

The Expenditure for the year, chiefly owing to the sums disbursed (under the head of Miscellaneous Services) in connection with Plague, was very large, and far in excess of the estimate. The estimated Expenditure (including that on Public Works Extraordinary) was $4,558,955.26, but the actual disbursements exceeded this estimate by $1,350,593.25.

The total actual Expenditure was $5,909,548.51. Deducting from this the total actual receipts, there was a deficit of $1,008,474.81 on the actual working of the year, though the surplus of Assets on December 31st amounted to $66,869 exclusive of arrears of Revenue.

(A.) GENERAL REVENUE AND EXPENDITURE.

The following is a brief abstract of Revenue and Expenditure for the years 1901 and 1902:—

Revenue.

—	1901.	1902.	Increase.	Decrease.
	$	$	$	$
Light dues	58,375.98	66,106.52	7,730.54	—
Licences and internal revenue not otherwise specified	2,270,145.69	2,600,520.55	330,374.86	—
Fees of court, &c.	284,453.22	296,709.19	12,255.97	—
Post Office	355,912.74	387,066.19	31,153.45	—
Rent of Government property	555,469.58	572,286.15	16,816.57	—
Interest	1.14	2,003.92	2,002.78	—
Miscellaneous	280,100.36	233,070.49	—	47,029.87
Water account	169,119.45	171,949.47	2,830.02	—
Land sales	240,315.06	571,361.22	331,046.16	—
Total ... ... $	4,213,893.22	4,901,073.70	734,210.35	47,029.87
		Deduct Decrease ... $	47,029.87	
		Nett Increase ... $	687,180.48	

Total Revenue and Expenditure for the Five Years 1898–1902.

—	1898.	1899.	1900.	1901.	1902.
	$	$	$	$	$
Revenue	2,918,159·24	3,610,148·25	4,202,587·40	4,213,893·22	4,901,073·70
Expenditure ...	2,841,805·20	3,162.792·36	3,628,447·13	4,111,722·49	5,909,548·51
Surplus	76,354·04	447,340·89	574,140·27	102,170·73	—
Deficit	—	—	—	—	1,008,474·81

(B.) ASSETS AND LIABILITIES.

At the end of the year 1902 the surplus of the Assets of the Colony over the Liabilities amounted to $66,869.88, the total Assets being $815,903.89 exclusive of arrears of Revenue amounting to $90,780, and the total Liabilities to $749,034.01.

(C.) PUBLIC DEBT.

There is a public debt of £341,799 15*s.* 1*d.* outstanding. The original debt was incurred in connection with the Praya Reclamation, the Central Market, and Water, Drainage and Sewerage Works.

Interest at 3½ per cent. is payable upon the loan, which is being paid off by a Sinking Fund.

II.—TRADE, INDUSTRIES, FISHERIES, AGRICULTURE AND LAND.

(A.) TRADE AND SHIPPING.

The following table shows the principal articles of export in the year 1902 in vessels of European construction, compared with similar returns for 1901. The figures represent the tonnage:—

Articles.	1901.	1902.	Increase.	Decrease.
Beans	1,290	300	—	990
Coal	917,144	1,040,906	123,762	—
Cotton yarn and cotton ...	14,423	11,498	—	2,925
Flour	145.287	107,826	—	37,461
Hemp	31,195	22,923	—	8,272
Kerosine (bulk)	70,728	54,461	—	16,267
" (case)	77,977	60,400	—	17,577
Lead	260	625	365	—

Trade and Shipping—cont.

Articles.	1901.	1902.	Increase	Decrease.
Opium	2,872	4,871	1,999	—
Liquid fuel	3,973	6,299	2,326	—
Rattan	3,488	4,742	1,254	—
Rice	618,780	819,919	201,139	—
Sandalwood	5,272	5,374	102	—
Sulphur	55	—	—	55
Sugar	241,291	268,268	26,977	—
Tea	1,473	25	—	1,448
Timber	66,860	75,023	8,163	—
General	1,278,619	1,480,003	201,384	—
Total	3,480,987	3,963,463	567,471	84,995
Transit	2,134,585	2,372,397	237,812	—
Grand Total ...	5,615,572	6,335,860	805,283	84,995
		Nett	720,288	—

It will be observed that coal imports resumed their upward tendency, and the figure for 1902 is not appreciably smaller than that for the abnormal year 1900. Still more noticeable are the large increases in the import of opium and rice.

The principal features to be remarked in the reported Trade of the Port for 1902 are:—

In Imports reported:—

Increases in	opium	... ...	69·6 per cent.
„ „	rice ...	... ...	32·6 „ „
„ „	general	... ...	15·7 „ „
„ „	coal ...	... ...	13·4 „ „
„ „	sugar	... ...	11·1 „ „
„ „	timber	... ...	10·7 „ „
Decreases in	hemp	... ...	26·5 „ „
„ „	flour	... ...	25·1 „ „
„ „	bulk oil	... ...	22·9 „ „
„ „	case oil	... ...	22·5 „ „
„ „	cotton	... ...	20·3 „ „

The net increase under this head amounts to 482,476 tons.

In Exports, there is an increase reported of 126,814 tons.

In transit cargo there is an increase reported of 237,812 tons.

The total reported Import Trade of the Port for 1902 amounted to 26,037 vessels of 9,867,486 tons, carrying 6,921,928 tons of cargo, of which 4,549,531 tons were discharged at Hong Kong. This does not include the number, tonnage or cargo of local trade junks, or steam launches.

These returns show a decided improvement upon those for 1901, when the Import trade was much depressed. This is a hopeful sign, especially as the further fall in silver exchange and the high values ruling on the home markets in certain staple commodities continued throughout the year to militate against the Import trade of the Colony.

It must not be forgotten that figures such as those given above are necessarily imperfect in the case of a free port. The returns depend for accuracy upon the information voluntarily afforded to the harbour master by the masters and agents of the vessels concerned, and their reliability cannot be tested as thoroughly as might be desired.

The total tonnage entering and clearing during the year amounted to 21,528,780 tons, being an increase, compared with 1901, of 2,203,396 tons, and 3,083,644 tons in excess of any previous year.

There were 51,542 arrivals of 10,783,502 tons, and 51,547 departures of 10,754,278 tons.

Of British ocean-going tonnage, 3,010,441 tons entered, and 3,005,148 tons cleared.

Of British river steamers, 1,775,960 tons entered, and 1,780,238 tons cleared.

Of foreign ocean-going tonnage, 3,273,817 tons entered, and 3,238,719 tons cleared.

Of foreign river steamers, 95,766 tons entered, and 95,909 tons cleared.

Of steam launches trading to ports outside the Colony, 97,607 tons entered, and 97,607 tons cleared.

Of junks in foreign trade, 1,613,875 tons entered, and 1,624,344 tons cleared.

Of junks in local trade, 916,016 tons entered, and 903,313 tons cleared.

Thus—	Per cent.
British ocean-going tonnage represented... ...	27·94
„ river „ „	16·52
Foreign ocean-going „ „	30·25
„ river „ „	0·89
Steam launches in foreign trade „	0·91
Junks „ „ „ „	15·04
„ „ local „ „	8·45
	100·00

A comparison between the years 1901 and 1902 is given in the following table. **Steam launches are not included:—**

—	1901.		1902.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British	6,715	9,213,639	7,102	9,571,787	387	358,148	—	—
Foreign	4,092	5,345,502	5,359	6,704,211	1.267	1,358,709	—	—
Junks in Foreign Trade	35,394	3,266,168	36,245	3,238,239	851	—	—	27,929
Total	46,201	17,825,309	48,706	19,514,237	2,505	1,716,857	—	27,929
Junks in Local Trade	41,235	1,334,947	50,743	1,819,329	9,508	484,382	—	—
Grand Total	87,436	19,160,256	99,449	21,333,566	12,013	2,201,239	—	27,929
Net					12,013	2,173,310		

For vessels under the British Flag, this table shows an increase of 387 ships of 358,148 tons. These figures are, however, misleading, for river steamers are responsible for an increase of 397 ships of 157,539 tons. This leaves a net decrease of 10 ocean-going ships, with an increase in tonnage of 200,609 tons.

The above increase in river steamers is due to the fact that the one vessel which ran in 1901 and not in 1902 is more than counterbalanced by two which started to run at the end of 1901, and two which started to run at the beginning of 1902.

The fall of 10 ocean-going vessels is a genuine decrease, which loses a portion of its significance when we consider the increased size of vessels as evidenced by the increase in tonnage.

For vessels under Foreign Flags, we find a large increase, viz., 1,267 ships of 1,358,709 tons, of which 301 ships of 93,627 tons are due to river steamers, one new French vessel having started to run in 1902, and another French ship having run more often in 1902 than in 1901. The remainder, 966 ships of 1,285,082 tons, is due to—

1. An increase of 453 Norwegian ships of 372,021 tons.
2. „ „ „ 186 German „ „ 221,619 „
3. „ „ „ 169 Chinese „ „ 307,897 „
4. „ „ „ 150 Japanese „ „ 342,668 „

and smaller increases in other nationalities.

The actual number of ships of European construction (exclusive of river steamers and steam launches), entering the Port during 1902, was 718, of which 350 were British, and 368 foreign. These 718 ships entered 4,047 times, giving a total tonnage entered of 6,284,258 tons. Thus, compared with 1901, 37 more ships entered 477 more times, and give a total tonnage increased by 728,926 tons.

The following table indicates the nationality of the various ships entering the Port, the numbers of vessels under each flag, and the tonnage carried by them, compared with the similar figures for the previous year:—

Flag.	Ships.		No. of times Entered.		Total Tonnage.	
	1901.	1902.	1901.	1902.	1901.	1902.
British	321	324	1,770	1,753	2,894,519	2,965,030
Austrian	20	20	53	50	128,483	125,929
Belgian	3	1	9	3	12,407	3,624
Chinese	4	17	10	135	3,349	163,396
Corean	1	—	1	—	796	—

Number of Vessels and Tonnage—cont.

Flag.	Ships.		No. of times entered.		Total Tonnage.	
	1901.	1902.	1901.	1902.	1901.	1902.
Danish	8	6	12	13	25,903	23,374
Dutch	9	8	29	23	40,872	26,464
French	22	27	206	228	209,094	219,111
German	122	123	842	939	1,242,499	1,360,524
Italian	2	4	12	14	17,988	23,428
Japanese	65	56	336	409	692,981	865,400
Norwegian	26	49	79	300	78,004	263,379
Portuguese	3	3	49	46	4,948	7,897
Russian	4	11	4	16	8,797	32,046
Spanish	1	—	1	—	784	—
Swedish	1	4	7	15	6,923	14,325
United States	19	23	89	56	130,476	121,939
No flag	1	—	1	—	80	—
Total	632	676	3,510	4,000	5,498,903	6,215,866

The above return refers to steamers only. In addition, 42 sailing vessels visited the port during the year, with a total tonnage of 68,392, as compared with 50 ships and 56,429 tons during 1901. 26 of these ships were British, and 9 American.

The total Revenue collected by the Harbour Department during the year was $266,765.99, being an increase of $15,168.60 on the previous year.

(B.) INDUSTRIES.

Most of the local industries of the Colony were carried on with satisfactory results during 1902, and were less hampered by plague than during the preceding year.

The fall in the exchange value of silver, to which Sir W. Gascoigne referred in his Blue Book Report for 1901, continued throughout 1902 with hardly a break. The effect of this fall, however embarrassing in other respects, is undoubtedly advantageous as regards many local productions and industries.

Cotton spinning in Hong Kong was carried on in 1902 under more favourable circumstances than have prevailed since the initiation of this industry.

Comparative immunity from plague, together with improved skill on the part of operatives, resulted in largely increased production, and, aided by declining exchange which checked excessive imports of Indian yarns, the local spinnings were freely sold at gradually advancing dollar prices.

Under normal conditions the progress of this industry may now reasonably be considered as assured, but the possibility of an annual recurrence of plague which experience has proved drives many of the workpeople from the Colony, owing to their strong dislike to the measures instituted by the Sanitary Authorities, is a factor which must not be overlooked in attempting a forecast.

The sugar industry had many adverse conditions to contend against during the year which was a most unprofitable one. Chief amongst these was the continued competition with bounty-fed beet sugars, which low prices in Europe (the result of enormous overproduction) allowed of being placed in Eastern markets at a level never before reached. The preferential treatment accorded to refineries in Japan and the very onerous conditions there to be contended against, constitute a very severe handicap to trade with that country, which was formerly an important outlet for the production in Hong Kong. Scarcity of water and greatly increased cost of labour were factors which further conduced to an unfavourable result to local refineries.

In other respects the outlook for industrious enterprise in Hong Kong is on the whole promising.

(C.) FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. In the immediate neighbourhood of the Colony, or within its territorial waters, the fishing industry has not assumed any considerable dimensions. About $2,000 was paid into the Treasury during the year from fees for fishing stakes and station licences in the New Territory.

(D.) FORESTRY, BOTANICAL SCIENCE, AND AGRICULTURE.

Nearly 6,500 new trees were planted in Hong Kong during the year, and more than 31,500 in the New Territory, the majority being pines. It has been found that camphors will grow successfully in the New Territory and nearly 3,000 of these trees were planted in the neighbourhood of the new Taipo Road.

Forestry and botanical work generally made good progress during the year, though hampered to a considerable extent by the excessive drought in the Spring, and the severity of the typhoons during July.

Good experimental work is carried on by a Chinese gentleman in the New Territory, who has under cultivation sugar cane, mulberries, and various fruit trees, flowers, and vegetables. As the cultivation is carried on strictly according to Western methods, and with the assistance of Government, it is hoped that the Chinese of the New Territory will benefit by this excellent object lesson.

In another district of the New Territory a considerable area is being cultivated by a small company under European supervision. So far success has attended the growing of vegetables, and both hemp and Chinese tobacco give promise of repaying cultivation.

(E.) LAND GRANTS AND GENERAL VALUE OF LAND.

Sales of Crown land for the year 1902 amounted in value to $571,361.22, or more than $70,000 in excess of the estimated receipts from this source, and more than $330,000 over the actual receipts for 1901. The only year in which a larger sum has been realized was 1900, when the receipts were $816,222. The value of the land in the New Territory which is contiguous to the harbour or south of the Kowloon range of hills has enormously increased in value since the British occupation commenced. As an example of this, a case may be cited of a small landowner who before the New Territory was taken over held about 127 acres of land near Devil's Peak, west of the Lyeemon Pass, and paid a tax to the Chinese authorities of $5 per annum. As soon as his title to the land was confirmed by the Hong Kong Land Court, he sold it to a local company for $50,000.

The cadastral survey of the New Territory and the demarcation of the farm lots was a difficult and costly work owing to the rugged and mountainous nature of the ground and the small size of the holdings. This work is now practically finished, and rapid progress is being made with the new rent-roll.

Building land in the urban portion of the Colony is limited in extent and continues to be very costly.

III.—LEGISLATION.

Forty-seven Ordinances were passed during 1902, of which 22 were amending and 12 private Ordinances.

The dependence of the Colony for its water-supply on the annual rainfall, and the occurrence of a serious water famine in the Spring of the year under review, showed the necessity of introducing new legislation to regulate and control the supply. The result was the Water-works Consolidation Ordinance, which had for its object the economising of water.

Four Ordinances dealt with the New Territory, chiefly in connection with Crown lands resumption, rent recovery, and the registration of titles.

Of the private measures the most important was the Tramway Ordinance (No. 10 of 1902), by which the construction of an electric tramway within the Colony was authorized and the necessary legal powers conferred upon the Company by which the tramway is to be constructed.

IV.—EDUCATION.

The educational system in the Colony is at present undergoing revision, and it is as yet too early to speak with confidence of the results which may be expected from measures which are, to some extent, only tentative.

Of recent years the demand among the Chinese for instruction in the English language has largely increased, and is now so keen that all the Anglo-Chinese schools of the Colony are full, and many would-be pupils cannot find admittance. There is also a growing number of night-schools and other non-aided institutions where English is taught. One such school, founded little more than a year ago, has a total enrolment of 300; and application has been made by its manager for its inclusion, under the Government Code, among aided schools.

Of Government Schools, Queen's College, with an average attendance of nearly one thousand, is the most important. Three Anglo-Chinese District Schools, with a total enrolment of about 400, were entirely re-constituted and put under European headmasters from the end of the year. Of aided Anglo-Chinese Schools, the Roman Catholic Cathedral School has an average attendance of over one hundred. In all these schools a large proportion of the staff consists of European masters.

During the year a school for children (both sexes) of European British parentage was established at Kowloon; it has already a total enrolment of over sixty.

A Committee was appointed early in the year to consider the whole question of education in the Colony; and it published a report in which were enunciated several important principles. Of these, perhaps, the most universally accepted is the dictum that while educating Chinese in English and Western knowledge, it is also desirable to ensure a certain standard of proficiency in the Chinese written language.

The Inspector of Schools, who was in England during the summer, made a study of the methods employed by the Board of Education, and on his return drew up a new Code for aided schools. This draft has since received the full approval of the managers of schools.

V.—PUBLIC WORKS.

The principal public works undertaken or completed within the year were the new Law Courts, the road to Taipo, the Western Market, the new Harbour Office, an extension of the Tytam Reservoir, the Kowloon Water-works, and the Governor's new Peak Residence. The Law Courts are to be built on the Praya Reclamation. The greater part of the year was occupied in forming the foundations, which were nearly completed. The road to Taipo, the administrative centre of the New Territory, was practically finished. Its width is 14 feet and its length 18 miles. The foundations of the new Western Market were nearly completed up to ground level, and also those of the new Harbour Office. The new Water-works at Tytam and Kowloon have been undertaken in consequence of the inadequacy of the existing water supply to meet the requirements of the city of Victoria during the dry season. The excavation of the foundations for the new Tytam Reservoir, over a length of about 280 feet, was practically completed, and a portion was filled in with cement concrete. The new Kowloon Water-works scheme is in the hands of a firm of local architects and engineers. Beyond the laying of mains, the defining of drainage boundaries and a certain amount of excavation, there has not yet been time to make any decided progress with the work.

The Governor's new Peak Residence was completed in July and occupied shortly afterwards. The house is large and substantial, and stands near the highest point on the island.

The total amount spent on Public Works Extraordinary during the year was $1,157,104; and on works annually recurrent, $506,793. Of the former sum, $508,000 was expended in the purchase of a site on the Praya Reclamation for the new Post Office.

VI.—GOVERNMENT INSTITUTIONS.

(A.) Hospitals.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital; Kennedy Town Infectious Diseases Hospital, and the hulk *Hygeia*.

The Civil Hospital contains 150 beds in 20 wards; the Maternity Hospital, 6 beds for Europeans and 4 for Asiatics; and Kennedy Town Hospital, 26 beds in the main building. In 1902, 206 cases were treated at Kennedy Town, of which 94 were cases of plague, 10 of small-pox, and 52 of cholera.

3,108 in-patients and 11,815 out-patients were treated at the Government Civil Hospital in 1902. There was a decided decrease in the number of admissions from malarial fever, the figures being 349 as compared with 787 in 1901.

The Tung Wa Hospital is mainly supported by voluntary subscriptions, and only receives a small contribution from the Government. It takes the place of a Poor-house and Hospital for Chinese sick and destitute. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or those who are responsible for them.

(B.) ASYLUM.

The Lunatic Asylum is under the direction of the Principal Civil Medical Officer. European and Chinese patients are separated, the European portion of the Asylum containing 8 beds in 8 separate wards, and the Chinese portion 16 beds. 120 patients of all races were treated during 1902, and there were 13 deaths.

OTHER GOVERNMENT INSTITUTIONS.

The Prison, Observatory, Post Office, Educational establishments and other Government institutions are dealt with under separate heads.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government, may be mentioned the Po Leung Kuk and the College of Medicine for Chinese. The Po Leung Kuk is an institution presided over by the Registrar-General and an annually elected Committee of twelve Chinese gentlemen, for the protection of women and children. The inmates of the Home receive daily instruction in elementary subjects, and sometimes earn pocket-money by doing needle-work. During 1902 a total of 617 persons were admitted, made up of 494 women, 93 young girls, and 30 small boys. Of these, 261 were restored to their parents or sent to charitable institutions in China, 27 were sent to missionary schools and convents, 19 were married, 10 adopted, and 310 allowed to leave. The Home is medically attended by one of the Colonial Surgeons.

The Hong Kong College of Medicine for Chinese was founded in 1887, for the purpose of teaching surgery, medicine, and midwifery, especially to Chinese. The Government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. 76 students have been enrolled up to 1903, and of these, 18 have become qualified licentiates and have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science amongst the Chinese; and in addition to the employment of certain of the licentiates in the public service, the senior students have frequently been made use of for various purposes during epidemic seasons. A Government grant-in-aid of $2,500 is made to the College, to be used as honoraria to the lecturers.

VIII.—CRIMINAL AND POLICE.

STATISTICS.

The number of convictions in the Superior Courts during the last five years is as follows:—

—	1898.	1899.	1900.	1901.	1902.
1. For Offences against the Person ...	19	49	54	54	55
2. For Offences against Property ...	17	18	7	7	7
3. For other Offences	3	10	12	21	12

The total of all cases reported to the Police was 10,421, as against 9,172 in 1901. This shows an increase of 13·61 per cent. In the division of these cases into serious and minor offences there appears an increase, as compared with 1901, of 594 cases or 17·45 per cent. in the former, and of 655 cases or 11·35 per cent. in the latter. The serious offences in which the increase was most noticeable were burglary and larceny

The increase in crime in the Colony is no doubt largely due to the restlessness of the neighbouring districts in China, and the influx of Chinese paupers who were the victims of bad harvests and spasmodic rebellions in the two adjoining provinces.

The Police Force is composed of 133 Europeans, 367 Indians, and 419 Chinese, and has thus increased, largely owing to the necessities of the New Territory, by nearly 300 members during the past five years. The executive staff consists of a captain superintendent, a deputy and two assistant superintendents.

The daily average of prisoners confined in the gaol during 1902 was 576. The average may be said to have been raised by about 25 per cent. during the past ten years.

Constant attention is given to the instruction of long-sentence prisoners (first offenders) of good conduct, who are employed at industrial labour, viz.:—Boot and shoe-making, tailoring, mat-making, carpentry, tinsmithing, net-making, mattress-making, rattan work, knitting, printing, and book-binding—the knowledge of which is useful and educational, rendering many of them much better adapted to earn an honest livelihood after their discharge from prison.

The total number of forms printed at the Gaol during the year 1902 was 3,050,828, and 11,949 books were bound. The value of work done by the Printing and Book-binding Department was $29,039.13. Deducting the cost of paper, leather, &c., used during the year, from the net earnings, the total profits on all industrial labour amounted to $29,439.91 for year 1902.

The Chinese inhabitants contribute by a voluntary assessment among themselves to the pay of district watchmen, a native force which is of material assistance to the regular police. During the year 1902 over $17,000 was contributed for this purpose.

IX.—VITAL STATISTICS.

(A.) POPULATION.

The last Census was taken in January, 1901, when the population was found to be 283,975, exclusive of the Army and Navy. The estimated population at the beginning of the year under review (the naval and military forces being similarly excluded from the estimate), was 311,824, including 18,524 non-Chinese. This is exclusive of the New Territory, the population of which is probably slightly under 110,000. The total population of the Colony may therefore be estimated in round figures at 421,000 of all nationalities. The total number of births registered in the Colony was 1,200 and of deaths 6,783. This gives an annual birth-rate of 3·8 and a death-rate of 21·7 per 1,000. The excess of deaths over births is explained by the fact that thousands of Chinese families are represented in Hong Kong by men only, and that a large proportion of the population of the Colony is a floating population of adult males. It should also be remembered that a large proportion of births among the Chinese remains unregistered. The preponderance of male over female births is very marked among the Chinese community, being in the proportion of 190 males to every 100 females. The proportion among the non-Chinese community was 111 to 100 as compared with 107 to 100 in 1901.

(B.) PUBLIC HEALTH AND SANITATION.

The Colony was again visited by plague in the Spring and Summer of 1902, though the outbreak was much less severe than in several former years. 546 Chinese are known to have died of this disease in the Colony, and 26 members of the British and Foreign community, which includes Asiatic Portuguese. 57 cases of small-pox, of which 41 were fatal, occurred during the year, and a somewhat serious outbreak of cholera, which was responsible for 433 deaths took place synchronously with plague. It is probable that the spread of the disease was encouraged by the shortage of the water-supply in the Spring, which was the result of the deficient rainfall of 1901. There were 425 deaths from malarial fever, and 453 from beri-beri. The total number of deaths from all causes was 6,783, including 352 members of the British and Foreign community.

There was a very marked diminution in the number of malarial fever cases reported from the New Territory. The treatment with larvicides of the breeding places of the anopheles mosquito is still being actively continued with good results.

The sanitary condition of the City still leaves much to be desired, and the overcrowding in Chinese tenement houses is excessive. New legislation will ameliorate present conditions by degrees, but it is evident that real improvement can only be gradually attained. A new consolidating and amending law relating to buildings and public health was prepared with great care under the supervision and by the advice of Mr. Osbert Chadwick, C.M.G., and Professor Simpson, M.D., who, as experts in sanitation and plague respectively, were commissioned to hold investigations into the present sanitary condition of the City, and to trace the causes of the continued prevalence of bubonic plague. The new Ordinance, which embodies most of the recommendations of Messrs. Chadwick and Simpson, did not actually come into operation during 1902, though it practically passed through all its legislative stages before the end of the year.

(C.) CLIMATE.

The average monthly temperature throughout the year has been 73·4° F., as compared with 72·1° F. during 1901; the maximum monthly temperature was attained in the months of August and September when it reached 81·8° F., and the minimum monthly temperature was recorded in the month of February, being 59·5° F.

The highest recorded temperature during the year was 92·2° F. on July 27th, and the lowest 40·5° F. on February 4th.

The returns from the Hong Kong Observatory show that the total rainfall for the year was 97·50 inches as compared with 55·78 inches in 1901, and an average of 77·86 inches during the past ten years. The wettest month was May with 26·73 inches, while there were also 26·5 inches of rain in the month of August; the driest month was February, with only 0·02 inch. The greatest amount of rain which fell on any one day was 8·06 inches on August 2nd, while no rain fell on 223 days of the year; the relative humidity of the atmosphere throughout the year was 75·6 per cent., as compared with 75 per cent. in the previous year, while during March to August it averaged continuously over 82 per cent. The average daily amount of sunshine throughout the year was 5·3 hours, and on 51 days no sunshine was recorded.

X.—POSTAL SERVICE.

The Revenue derived from all sources of the postal service amounted to $387,066.19, an increase of $42,554.61 on that of the previous year. The sale of stamps realised $353,949.99, or $29,886.03 more than was realised in 1901. All branches of the postal organisation shared in the general increase except exchange on Money Order transactions, the profits of which showed a decrease from slightly over $10,000 to $2,768.

It is hoped that before long a direct parcel post exchange with the United States of America will be established, effecting an appreciable reduction in the time now occupied in transit.

The Penny Letter postage was extended to the British postal agencies in China from 15th February. The agencies exist at Amoy, Canton, Foochow, Hankow, Hoihow, Liu Kung Tau (Wei-Hai-Wei), Ningpo, Shanghai and Swatow.

XI.—MILITARY FORCES AND EXPENDITURE.

(A.) Regular Forces.

The following return shows the number and nature of the forces employed in the Colony during 1902 :—

Corps.	European.			Indian.		Chinese.	Totals.
	Officers.	Warrant Officers.	N.C.O.'s and Men.	Officers.	N.C.O.'s and Men.	N.C.O.'s and Men.	
General Staff	6	—	—	—	—	—	6
Garrison Staff...	—	1	—	—	—	—	1
Royal Garrison Artillery	21	2	570	—	—	—	593
Hong Kong–Singapore Battalion, R.A.	16	—	8	8	462	—	494
Royal Engineers	12	2	186	—	—	—	200
Chinese S. M. M. Co., R.E.	—	—	—	—	—	69	69
Second Battalion Royal Welsh Fusiliers	30	2	865	—	—	—	897
1st Sherwood Foresters	19	—	569	—	—	—	588
Army Service Corps	1	—	4	—	—	—	5
Royal Army Medical Corps	9	1	32	—	—	—	42
A.O.D. and Corps	7	1	48	—	—	—	56
A.P.D. and Corps	3	1	7	—	—	—	11
Ind. Sub-Med. Department	1	—	—	—	—	—	1
Educational Department	1	—	1	—	—	—	2
Hong Kong Regiment	5	—	—	13	763	—	781.
10th Bombay Light Infantry	9	—	—	16	700	—	725
14th Bombay Infantry	10	—	—	16	723	—	749
33rd Burma Infantry	9	—	—	15	723	—	747
22nd Bombay Infantry	7	—	—	15	684	—	706
5th Infantry Hyderabad Contingent	10	—	—	16	666	—	692
Totals	176	10	2,290	99	4,721	69	7,365

The 2nd Battalion of the Royal Welsh Fusiliers left the command on the 9th November, and were relieved by the Sherwood Foresters. The 22nd Bombay Infantry and the 5th Infantry Hyderabad Contingent left on the 9th August and 20th June, respectively, and were replaced by the 10th Bombay Light Infantry, the 14th Bombay Infantry, and the 33rd Burma Infantry.

(B.) COLONIAL CONTRIBUTION.

The Colony contributed $914,038.83 (being the statutory contribution of 20 per cent. of Revenue) towards the cost of the maintenance of the regular forces in the Colony, and Barrack Services.

(C.) VOLUNTEER CORPS.

The total establishment of the Corps is 400 of all ranks. The strength in 1902 was 274, made up as follows:—Staff, 6; 2 Garrison Artillery companies, 235; 1 Engineer company, 27; and a Band, 6.

The Field Battery, Machine Gun companies, and Infantry company were changed to two Garrison Artillery companies during 1902.

The Expenditure on the Volunteers, which is entirely borne by the Colony, was $21,026.91.

GENERAL OBSERVATIONS.

From 4th January, 1902, to 8th September, 1902, during my absence on leave, Sir W. J. Gascoigne, K.C.M.G., administered the Government.

In April, 1902, Mr. W. M. Goodman was appointed Chief Justice, and towards the close of the year received the honour of Knighthood. Sir Henry Spencer Berkeley, late Chief Justice of Fiji, succeeded him in the Office of Attorney-General. Mr. J. H. Stewart-Lockhart, C.M.G., was appointed Commissioner of Wei-Hai-Wei in April, 1902, and was succeeded as Colonial Secretary by Mr. F. H. May, C.M.G.

The Coronation of His Majesty the King was celebrated in the Colony by a Special Service in the Cathedral, by general illuminations, and by the presentation of loyal addresses.

A statue of His Royal Highness the Duke of Connaught—the gift of Sir Paul Chater, C.M.G.—was unveiled on 5th July, 1902, and it was announced on that occasion that the same donor and Mr. J. J. Bell-Irving intended to present the Colony with statues of His Majesty the King and of His Royal Highness the Prince of Wales.

The New Territory has continued its gradual and peaceful development; and if it were not for the occasional inroads of disorderly characters from the Chinese side of the frontier there should be but little to record in the way of robbery or outrage. The demarcation of the whole of the New Territory, with the exception of certain strips, and the Island of Lamma, was finished during the year. The construction of an excellent road from Kowloon to Taipo, a distance of about 18 miles, was practically completed. The system of Police Stations is also complete, and nearly every Station is connected with the City by telephone. The settlement of land claims has been steadily progressing, and it is hoped that the work for which the temporary Land Court was created will shortly be concluded. The area of the New Territory is about 370 square miles, of which the cultivated area is about 45,000 acres or 60 square miles. The estimated population is slightly over 100,000. At present the Expenditure on the New Territory, largely due to the cost of the Land Court and Public Works Extraordinary, is considerably in excess of the Revenue; but judging from the present rate of progress and prospects for the future, it may be expected that the Revenue will equal the Expenditure within seven or eight years.

The local Chamber of Commerce has pronounced itself strongly in favour of the compulsory adoption of the Metric System of Weights and Measures throughout the Empire, and will welcome any change in that direction.

In spite of the depression caused especially in Import Trade, by the fluctuations in the Silver Market and other more remote causes, the prosperity of the Colony has continued to expand during the past year. Statistics show that in spite of the heavy drain upon the resources of the Colony caused directly and indirectly by the annual recurrence of plague, the financial position of the Colony is sound and gives no cause for uneasiness for the future. At the same time it is well to remember that the assets of this Colony are practically the goodwill of its commerce, and it is only by a continuance of its sea-borne trade—which fortunately as yet shows no signs of declining—that the Colony can expect to remain in its present prosperous condition.

I have, &c.,

HENRY A. BLAKE.

LONDON:
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BY DARLING & SON, LTD., 34-40, BACON STREET, E.

1903.

COLONIAL REPORTS—ANNUAL.

No. 421.

HONG KONG.

REPORT FOR 1903.

(For Report for 1902, *see* No. 393.)

Presented to both Houses of Parliament by Command of His Majesty.
July, 1904.

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No. 421.

HONG KONG.

(For Report for 1902, *see* No. 393.)

ACTING GOVERNOR MAY to MR. LYTTELTON.

Government House,
Hong Kong,
12th May, 1904.

SIR,

I HAVE the honour to submit for your information the following general Report on the annual Blue Book for the year 1903.

REPORT ON THE BLUE BOOK FOR 1903.

I.—FINANCES.

The revenue for the year, exclusive of Land Sales, amounted to $4,728,692.17, or $398,979.69 more than the previous year. Land Sales amounted to $510,165.71, or $61,195.51 more than in 1902. The total revenue from all sources was therefore $5,238,857.88, or $337,784.18 greater than in any previous year, and $305,562.88 more than the estimate. All the main sources of revenue show an excess over 1902, with the exception of Miscellaneous Receipts and Land Sales, and all items similarly show an excess of actual over estimated receipts, with the exception of Rent of Government Property, Miscellaneous Receipts, and the Water Account. Licences and Internal Revenue not otherwise specified show an excess of $187,836.09, while Fees of Court or Office, &c., and the Post Office yielded over $50,000 and slightly under $30,000 respectively over the estimate.

The expenditure for the year was $4,746,838.44 exclusive of Public Works Extraordinary; inclusive of that item it was $5,396,669.48, or $512,879.03 less than the total expenditure of 1902. Deducting from the actual expenditure for 1903 the total actual receipts, there was a deficit of $157 811.60 on the actual working of the year.

(A.) GENERAL REVENUE AND EXPENDITURE.

The following is a brief abstract of Revenue and Expenditure for the years 1902 and 1903 :—

—	1902.	1903.	Increase.	Decrease.
	$		$	$
Light dues	66,106.52	74,960.00	8,853.48	—
Licences and internal revenue not otherwise specified	2,600,520.55	2,849,936.09	249,415.54	—
Fees of court, &c.	296,709.19	352,719.02	56,009.83	—
Post Office	387,066.19	414,867.20	27,801.01	—
Rent of Government property	572,286.15	615,683.01	43,396.86	—
Interest	2,003.92	5,964.73	3,960.81	—
Miscellaneous	233,070.49	178,602.00	—	54,468.49
Water account	171,949.47	235,960.12	64,010.65	—
Land sales	571,361.22	510,165.71	—	61,195,51
Total	4,901,073.70	5,238,857.88	453,448.18	115,664.00
		Deduct Decrease ...	115,664.00	
		Nett Increase ...	337,784.18	

TOTAL REVENUE AND EXPENDITURE for the FIVE YEARS 1899-1903.

—	1899.	1900.	1901.	1902.	1903.
	$	$	$	$	$
Revenue	3,610,143.25	4,202,587.40	4,213,893.22	4,901,073.70	5,238,857.88
Expenditure ...	3,162,792.36	3,628,447.13	4,111,722.49	5,909,548.51	5,396,669.48
Surplus	447,350.89	574,140.27	102,170.73	—	—
Deficit	—	—	—	1,008,474.81	157,811.60

(B.) ASSETS AND LIABILITIES.

At the end of the year 1903, the assets of the Colony amounted to $609,950.40, exclusive of arrears of revenue which with the sum just mentioned bring the total assets up to $731,218.40 The total liabilities were $672,661.86, so that the surplus of assets over liabilities amounted to $58,556.54.

(C.) PUBLIC DEBT.

There is a public debt of £341,799 15*s.* 1*d.* outstanding. The original debt was incurred in connection with the Praya Reclamation, the Central Market, and Water, Drainage and Sewerage Works.

Interest at 3½ per cent is payable on the loan, which is being paid off by a Sinking Fund.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE AND LAND.

(A.) TRADE AND SHIPPING.

The following table shows the principal articles of export in the year 1903 in vessels of European construction, compared with similar returns for 1902. The figures represent the tonnage:—

Articles.	1902.	1903.	Increase.	Decrease.
Beans	300	3,120	2,820	—
Bones	—	—	—	—
Coal	1,040,906	1,186,686	145,780	—
Cotton yarn and cotton ...	11,498	20,795	9,297	—
Flour	107,826	120,430	12,604	—
Hemp	22,923	24,149	1,226	—
Kerosine (bulk)	54,461	40,607	—	13,854
„ (case)	60,400	82,960	22,560	—
Lead	625	550	—	75
Liquid fuel	6,299	1,000	—	5,299
Opium	4,871	4,997	126	—
Pitch	—	1,900	1,900	—
Rattan	4,742	4,020	—	722
Rice	819,919	597,730	—	222,189
Sandalwood	5,374	4,713	—	661
Sulphur	—	961	961	—
Sugar	268,268	229,946	—	38,322
Tea	25	1,746	1,721	—
Timber	75,023	64,400	—	10,623
General	1,480,003	1,594,600	114,597	—
Total	3,963,463	3,985,310	313,592	291,745
Transit	2,372,397	2,874,950	502,553	—
Grand Total ...	6,335,860	6,860,260	816,145	291,745
		Nett	524,400	—

The total tonnage entering and clearing during the year 1903 amounted to 24,039,862 tons, being an increase, compared with 1902, of 2,511,082 tons, and the same number in excess of any previous year.

There were 53,991 arrivals of 12,027,092 tons, and 54,009 departures of 12,012,770 tons.

Of British ocean-going tonnage, 3,396,314 tons entered and 3,382,121 tons cleared.

Of British river steamers, 2,237,249 tons entered and 2,234,613 tons cleared.

Of foreign ocean-going tonnage, 3,667,871 tons entered and 3,665,880 tons cleared.

Of foreign river steamers, 217,619 tons entered and 216,744 tons cleared.

Of steam launches trading to ports outside the Colony, 93,239 tons entered and 93,239 tons cleared.

Of junks in foreign trade, 1,347,001 tons entered and 1,351,458 tons cleared.

Of junks in local trade, 1,067,799 tons entered and 1,068,715 tons cleared.

Thus :—

		Per cent.
British ocean-going tonnage represented		28·20
„ River „	„	18·60
Foreign ocean-going	„	30·51
„ River	„	1·81
Steam launches in foreign trade	„	0·77
Junks „ „ „	„	11·22
„ „ Local trade	„	8·89
		100·00

A comparison between the years 1902 and 1903 is given in the following table ; steam launches are not included :—

COMPARATIVE SHIPPING RETURN for the YEARS 1902 and 1903.

—	1902.		1903.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British	7,102	9,571,787	8,449	11,250,296	1,347	1,678,509	—	—
Foreign	5,359	6,704,211	6,040	7,768,115	681	1,063,904	—	—
Junks in Foreign Trade	36,245	3,238,239	31,766	2,698,459	—	—	4,479	539,780
Total	48,706	19,514,237	46,255	21,716,870	2,028	2,742,413	4,479	539,780
Junks in Local Trade	50,743°	1,819,329*	58,215†	2,136,514†	7,472	317,185	—	—
Grand Total	99,449	21,333,566	104,470	23,853,384	9,500	3,059,598	4,479	539,780
Net					5,021	2,519,818		

° Including 17,210 Conservancy and Dust Boats of 627,052 tons.
† Including 25,582 Conservancy and Dust Boats of 932,078 tons.

For vessels under the British flag, this table shows a total increase of 1,347 ships of 1,678,509 tons, viz., an increase of 427 ships of 762,845 tons to ocean-going, and an increase of 920 ships of 915,664 tons to river trade.

The above increase in ocean-going trade is principally due to the fact of some new lines having been established—the China Commercial Steamship Company, the British India steamers now visiting the port, the addition of some new steamers to local firms, and lastly to an increase of coal imported from Australia in steamers new to the port.

The increase in river trade is almost wholly due to the new steamers "Kinshan" and "Wing Chai" being in the river trade during the greater part of 1903, and to an increased number of sailings by the Hong Kong, Canton and Macao Steamboat Company, Limited.

Under foreign flags, the table shows an increase of 681 ships of 1,063,904 tons of which 328 ships of 821,216 tons are ocean-going, the remainder 353 ships measuring 242,688 tons are river steamers.

The increase in ocean-going tonnage is due principally to an increased number of steamers under the United States flag calling at the port in 1903, to the increased tonnage of some of the Pacific Mail Steamers, and to an increase under Chinese, Japanese and French flags.

The increase in river trade is due to two French steamers "San Cheung" and "Kong Nam" (the former being a new steamer and the latter having been transferred from the British flag in July, 1903), also to the Chinese steamers "Chan Wai" and "Chan On" whose running commenced in the first quarter of 1903.

The actual number of ships of European construction (exclusive of river steamers and steam launches) entering the port during 1903 was 741, of which 344 were British and 397 foreign. These 741 ships entered 4,419 times, giving a total tonnage entered of 7,064,185 tons. Thus compared with 1902, 23 more ships entered 372 more times and gave a total tonnage increased by 779,927 tons.

STEAMERS.

Flag.	Ships.		No. of times entered.		Total Tonnage.	
	1902.	1903.	1902.	1903.	1902.	1903.
British	324	331	1,753	1,982	2,965,030	3,368,788
Austrian	20	15	50	42	125,929	106,944
Belgian	1	—	3	—	3,624	—

Steamers—cont.

Flag.	Ships.		No. of times entered.		Total Tonnage.	
	1902.	1903.	1902.	1903.	1902.	1903.
Chinese	17	14	135	172	163,396	222,164
Danish	6	8	13	27	23,374	48,676
Dutch	8	11	23	21	26,464	34,575
French	27	42	228	262	219,111	246,837
German	123	126	939	937	1,360,524	1,345,567
Italian	4	3	14	12	23,428	32,732
Japanese	56	69	409	467	865,400	1,017,263
Norwegian	49	51	300	318	263,379	319,685
Portuguese	3	1	46	30	7,897	7,110
Russian	11	9	16	19	32,046	30,781
Swedish	4	4	15	31	14,325	26,093
United States	23	24	56	61	121,939	200,706
No flag	—	1	—	2	—	1,260
Total	676	709	4,000	4,383	6,215,866	7,009,181

During the year 1903, 14,489 vessels of European construction, of 19,018,411 tons (net register), reported having carried 9,768,405 tons of cargo, as follows:—

	Tons.
Import cargo	3,985,310
Export "	2,245,119
Transit "	2,874,950
Bunker coal shipped	663,026
	9,768,405

The principal features to be remarked in the reported trade of the port for 1903 are:—

In imports reported:—

	Per cent.
Increases in coal of	14·0
" cotton of	80·8
" Flour of	11·6
" Case petroleum of ...	37·3
" General of...	7·7
Decreases in bulk petroleum of ...	25·4
" Liquid fuel of	84·1
" Rice of	27·1
" Sugar of	14·3
" Timber of	14·1

The net increase under this head amounts to 21,847 tons.

In exports there is an increase reported of 24,252 tons.

In transit cargo there is an increase reported of 502,553 tons.

The total reported import trade of the port for 1903 amounted to 24,819 vessels of 10,959,293 tons, carrying 7,392,320 tons of cargo, of which 4,517,370 tons were discharged at Hong Kong. This does not include the number, tonnage, or cargo of junks or steam launches employed in local trade.

Similarly, the export trade from the port was represented by 24,966 vessels of 10,944,055 tons, carrying 3,034,683 tons cargo, and shipping 675,891 tons of bunker coal.

Eighty-three thousand three hundred and eighty-four (83,384) emigrants left Hong Kong for various places during the year; of these, 55,681 were carried by British ships and 27,703 by foreign ships; 140,551 were reported as having been brought to Hong Kong from places to which they had emigrated, and of these, 107,166 were brought in British ships and 33,385 by foreign ships.

The total revenue collected by the Harbour Department during the year was $285,288.42, being an increase of $18,522.43 on the previous year:—

	$
1. Light dues	74,960.00
2. Licences and Internal Revenue	55,475.50
3. Fees of Court and Office ...	154,852.92
Total	285,288.42

(B.) INDUSTRIES.

The conditions of the sugar industry in the Colony during 1903 were much more favourable than in the previous year, when a serious collapse in prices was experienced all over the world, rendering profitable working impossible. In contrast to the wide range of prices during 1902, fluctuations were much more moderate, and with values at a low level the consumption of sugar showed a considerable advance, especially in the China market. This steadiness in prices may be attributed to the passing in the spring of 1902 of the Brussels Sugar Convention, under which European sugar bounties were abolished, and which came into operation on the 1st September, 1903. The markets in Europe, however, were still overstocked as the result of enormous over-production in previous years, so that the full effect of the abolition of bounties has not been felt. When such stocks have been worked off the sugar trade generally will be relieved of a factor which has hitherto accentuated its necessarily speculative nature, and there is no reason why the local refineries should not share in the benefits likely to result.

The cotton spinning industry during the first half of 1903 was carried on under not unsatisfactory conditions although the recurrence of plague, by its indirect effect on the labour supply, interfered with production for several months. From June onwards prices fluctuated violently owing to speculative operations, and at the end of the year had reached a figure which made profitable spinning impossible, prices for yarns not having responded to the advance in the prices of the raw material. The outlook for the industry at the end of 1903 was far from promising, and is not likely to improve until cotton be obtainable at a more reasonable figure. If the valleys of the New Territory could be utilised for cotton plantations, whereby the raw material could be procured locally at permanent prices or at least at prices which could be approximately foretold, the industry would undoubtedly receive a much-needed impetus.

In other respects the outlook for industrial enterprise in Hong Kong continues on the whole to be promising.

(C.) FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan and many others in the New Territory are largely dependent upon this industy for their prosperity. Freshwater fish is largely imported from Canton and the West River.

(D.) FORESTRY, BOTANICAL SCIENCE AND AGRICULTURE.

Afforestation of the island and the New Territory has proceeded normally, the year being a favourable one as regards absence of typhoons and diminution of fires and forestry offences. The Colonial Herbarium was enriched during the year by several small but interesting collections from different parts of China, and was visited by botanists from Europe, America and Japan. The efforts of the Government to improve the cultivation of sugar-cane in the New Territory have been continued by the distribution of better varieties of cane among the farmers. The kinds introduced have grown well at the experimental estate at Castle Peake, and give a better percentage of sugar than any hitherto cultivated in this part of China.

The hilly character of the island and the comparative absence of fertilising soil have prevented agriculture from becoming an active industry in Hong Kong. The area of cultivated land in the island is only a little over 400 acres. The old dependency of British Kowloon, which is chiefly composed of level ground, contains almost the same amount of cultivated land. This, however, tends to diminish as buildings extend. The only part of the Colony where agricultural industries can be expected to thrive is the New Territory, including the large islands of Lantao and Lamma. Valleys intersected by extensive ranges of barren hills are utilised to the utmost extent for plantations of rice and other crops. The area of cultivated land in the New Territory (including the islands) may be roughly estimated at 90,000 acres, but much of this contains exceedingly poor soil and consists of minute holdings belonging to the poorest class of peasants.

(E.) LAND GRANTS AND GENERAL VALUE OF LAND.

The amount received from sales of Crown land was over $510,000, which was considerably over the average amount received from such sales, though $60,000 less than the receipts for the previous year.

The survey of the New Territories has been completed and valuable maps of each sub-district are now in the possession of the Government.

Building land in the urban portion of the Colony and in the Peake District is limited in extent and steadily increasing in value. The natural consequence is that house-rents, especially on the higher levels, have advanced to an extent probably unknown in other British Colonies.

III.—LEGISLATION.

Twenty-four Ordinances were passed by the Legislature during 1903, of which 10 were measures for the amendment or repeal of previous enactments. The most important measures of the year were the Public Health and Buildings Amendment and Consolidation Ordinance (No. 1 of 1903) and the Waterworks Ordinance (No. 16 of 1903). The latter repeals the Waterworks Consolidation Ordinance of 1902, which was referred to in the Blue Book Report for that year, and makes fresh provisions for economising the water-supply. The former was undoubtedly the most important measure which has been enacted for many years. It is hoped that the ultimate benefits which it may be expected to confer upon the health and well-being of the Colony will be far-reaching. Further reference to this measure will be found under the heading of Vital Statistics (B). As in other parts of the Empire, an Ordinance was passed to declare a perpetual holiday on the anniversary of the birth of Her late Majesty Queen Victoria.

IV.—EDUCATION.

The educational system of the Colony is still undergoing revision, and the results which may be expected from the changes cannot yet be judged with exactness. The demand among the Chinese for instruction in the English language continues to increase, and every effort is made to meet that demand and to render the methods of instruction as thorough as possible. All the Anglo-Chinese schools have their full complement of pupils, and Queen's College, the principal school in the Colony, is unfortunately obliged, through lack of accommodation, to refuse admittance to many applicants. A Sub-Committee of the Governing Body of that institution was appointed during the year to draw up a course of study for the Chinese classes in the College. The same course has been adopted in the Anglo-Chinese District Schools, and in most of the Anglo-Chinese and Vernacular Grant Schools.

One of the most important changes recommended by the Committee on Education which sat in 1902 was the substitution of a new Code for the then existing Grant-in-aid Code. The new Code was drafted early in the year under review and has met with general approval. It was decided not to bring it into universal operation till January 1st, 1904, but schools were permitted, if they so desired, to adopt it from the 1st July, 1903, About one-half of them elected to do so. The following are some of the points of difference which distinguish the new from the old Code :—

(*a*.) The Grants are paid upon the results of the Inspector's observation throughout the year, and not upon the success or otherwise of individual scholars at an annual examination.

(*b*.) The Code recognizes that schools employing a well educated staff are worthy of special treatment by giving a higher rate of Grant, paid in sterling, to such schools. The staff must, in order to meet the requirements of the Code in this respect, be partly composed of Europeans, or natives of every unusual qualifications.

(*c*.) The old Code gave Grants to schools giving a Chinese education on the time-honoured Chinese lines, as well as to schools in which Portuguese or German was the medium of instruction. The present Code recognizes only modern Western methods of imparting instruction, and insists that either English or Chinese must be the medium of instruction ; other languages may of course be studied as class subjects.

The Kowloon School for European British subjects has now been open for nearly two years. The attendance during 1903 averaged 46·4, as compared with 39·3 in 1902, an increase of 18 per cent.

The District Schools were entirely re-organised at the beginning of the year. Special attention has been paid to the improvement of the Chinese Masters in their methods, especially in the method of teaching English.

Of the Anglo-Chinese Schools, three at least—the Roman Catholic Cathedral School, the Ellis Kadoorie School, and the St. Stephen's Anglo-Chinese School—have given evidence of a desire to attach greater importance than heretofore to the study of spoken English. The last-named is an encouraging example of a well conducted school under Chinese Masters only.

The Vernacular Schools have on the whole greatly improved in the last two years. This improvement is most apparent in the schools which elected to come under the new Code at once, thus freeing themselves from a hard-and-fast line of study.

V.—PUBLIC WORKS.

The principal public works in progress during the year were the new Law Courts, new Harbour Office, and extension of the Tytam Reservoir, the Kowloon Waterworks, the provision of temporary pumping plant for water-supply purposes at Tytam Tuk and preliminary works there to ascertain the most favourable position for a large dam, the reconstruction of street gullies, large extensions of the cattle depôts, and the training of nullahs for the improvement of the sanitary condition of some of the residential districts. A substantial start was made with the superstructure of the Law Courts and Harbour Office before the close of the year, and the extension of the Tytam Reservoir was nearly completed. The foundations of the main dam for the Kowloon Waterworks, which is to be 90 feet in height above the level of the ground, were ready to receive concrete; a large covered service reservoir to contain two million gallons was well advanced; and the preparation of a site for the filter-beds and the cutting of a tunnel for the main from the reservoir were in progress. In consequence of the inadequacy of the water supply to meet the growing demands of the City of Victoria, and pending the construction of permanent works in the Tytam Tuk Valley for augmenting the supply, a temporary pumping engine capable of raising half a million gallons daily was erected there and the necessary main laid to the Tytam tunnel. A small dam to impound the ordinary flow of the stream during dry weather was also constructed. Trial works were in progress throughout the year in Tytam Tuk Inlet for the purpose of determining a suitable site for the construction of a dam to impound over 1,000 million gallons, but had not been concluded at the end of the year. The reconstruction of the street gullies throughout the City was undertaken principally on sanitary grounds, one object being to confine sewage to the sewers and exclude it from the storm-water drains. In consequence of the large exports of cattle from Hong Kong to the Philippines considerable extensions of the depôts had to be undertaken. The accommodation is being increased to provide for 1,241 head of cattle instead of 480. Some extensive operations in the way of training the mountain streams were carried out, largely with a view to ridding residential areas of the anopheles mosquito.

The total amount expended on Public Works Extraordinary exclusive of the Praya Reclamation was $629,831, and on works annually recurrent $529,551.

VI.—GOVERNMENT INSTITUTIONS.

(A.) Hospitals.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, Kennedy Town Infectious Diseases Hospital, and the hulk "Hygeia," which is also used for the treatment of infectious diseases.

The Civil Hospital contains 150 beds in 20 wards. 2,794 in-patients and 11,911 out-patients were treated during the year 1903. 346 cases of malarial fever were admitted as against 349 in 1902 and 787 in 1901. The Maternity Hospital contains 6 beds for Europeans and 4 for Asiatics. 62 confinements occurred during the year, without any death. The Victoria Hospital was opened towards the end of the year by Sir Henry Blake. It is situated on the higher levels and is therefore better adapted for the treatment of children than the Civil Hospital. It contains 41 beds. Kennedy Town Hospital contains 26 beds in the main building. In 1903, 400 cases were treated, of which 301 were cases of plague, 61 of small-pox, and 2 of cholera.

(B.) Lunatic Asylum.

The asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 155 patients of all races were treated during 1903, and there were 12 deaths.

(C.) THE TUNG WA HOSPITAL.

This hospital is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $6,000 from the Government. A new wing was opened by Sir Henry Blake in 1903. Only Chinese are treated in this institution, which takes the place of a poor-house and hospital for Chinese sick and destitute. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. The hospital is managed by a Committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation.

OTHER GOVERNMENT INSTITUTIONS.

The prison, observatory, post office, educational establishments and other Government institutions are dealt with under separate heads.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the College of Medicine for Chinese, and the City Hall. The Pó Leung Kuk is an institution presided over by the Registrar-General and an annually-elected Committee of 12 Chinese gentlemen, for the protection of women and children. The inmates of the Home receive daily instruction in elementary subjects and are allowed to earn pocket-money by needle-work. During 1903 a total of 826 persons were admitted, of whom 632 were women, 134 young girls, and 60 small boys. Of these, 360 were restored to their parents or sent to charitable institutions in China, 24 were sent to missionary schools and convents ; 22 were married, 15 adopted, and 409 allowed to leave. The Home is medically attended by one of the Colonial Surgeons.

The Hong Kong College of Medicine for Chinese was founded in 1887, for the purpose of teaching surgery, medicine, and obstetrics to Chinese. The government of the college is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. Seventy-eight students have been enrolled up to the end of 1903, and of these 19 have become qualified licentiates and have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science among the Chinese ; and in addition to the employment of certain of the licentiates in the public service the senior students have frequently been made use of for various purposes during epidemics. A Government grant-in-aid of $2,500 is made to the college, to be used as honoraria to the lecturers.

The City Hall receives an annual grant of $1,200 from Government. It contains a reference library and a museum.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 11,251, as against 10,421 in 1902, being an increase of 830 or 7·96 per cent. In the division of these cases into serious and minor offences there appears an increase, as compared with 1902, of 863 cases or 21·58 per cent. in the former and a decrease of 33 cases or ·51 per cent. in the latter. The increases in crime was principally in respect of larceny. The Police Force is composed of a Captain Superintendent, a Deputy and two Assistant Superintendents, and three contingents of Europeans, Indians and Chinese. The European contingent consists of 133 men, the Chinese of 421 and the Indian of 367, making a grand total of 921 besides the superior officers already named and a staff of clerks and coolies. Of this force, one Assistant Superintendent (who also acts as Police Magistrate) and 14 Europeans, 96 Indians and 43 Chinese were stationed in the New Territory during the greater part of the year. After September the number of Indians was reduced to 80.

The number of prisoners admitted to Victoria Gaol under the sentences of the ordinary Courts was 7,144, besides 74 soldiers and sailors sentenced by Courts Martial. The daily average number of prisoners confined in the gaol was 653, the largest number on record. In 1902 the number was 576, and in 1901 it was 499. As a means of relieving the congested state of the gaol pending the erection of a convict prison the Belilios Reformatory was fitted up as a temporary prison, and short-sentence prisoners are now located in that building. The remunerative labour carried on in the gaol consists of printing and book-binding, carpentry, boot-making, knitting, painting and whitewashing, mat-making, oakum-picking, &c. The value of the earnings during the year amounted to $31,489.

IX.—VITAL STATISTICS.

(A.) POPULATION.

The last Census was taken in January, 1901, when the population was found to be 283,975 exclusive of the Army and Navy. The estimated population at the beginning of the year under review (the naval and military forces being similarly excluded from the estimate) was 317,130, including 10,080 non-Chinese. This is exclusive of the New Territory, the population of which is probably slightly under 110,000. The military forces account for about 8,500 in addition. No reliable estimate can be given of the naval population, as it naturally varies within very wide limits. The total population of the Colony may therefore be estimated in round figures at 445,000 of all nationalities. The total number of births registered in the Colony was 1,034, and of deaths 6,185. This gives an annual birth-rate of 3·17 and a death-rate of 18·9 per 1,000 as compared with 3·8 and 21·7 in 1902. The excess of deaths over births is explained by the fact that thousands of Chinese families are represented in Kong Kong by men only, there being a very large floating population of adult males. It should also be remembered that a large proportion of births among the Chinese remains unregistered, though steps are being taken to remedy this irregularity as far as possible.

(B.) PUBLIC HEALTH AND SANITATION.

Reference has already been made, under the heading of Legislation, to the very important Public Health and Buildings Ordinance passed early in the year under review. It is still too early to look for many immediate benefits arising from this measure, as many of its sections apply to houses to be hereafter erected, and others, such as the resumption of insanitary areas, the provision of open spaces in crowded districts, and the improvement of the internal construction of Chinese houses, are works which must necessarily be enforced gradually. It is gratifying to note that a large section of the Chinese is beginning to appreciate the advantages of improved sanitation and healthy surroundings, and shows an increasing willingness to cooperate with the sanitary authorities in cleansing and disinfecting operations. Much credit for this tendency is due to the results of the successful experiment initiated and carried out by Sir Henry Blake in the course of the summer, whereby the inhabitants of a typical district in the poorer part of the city were induced, by the exercise of tact and sympathy and judicious instruction, but without the pressure of official authority, to work out their own sanitary salvation. The system of establishing free bath-houses and washing-tanks for the people of this district proved remarkably successful and is being largely extended. In spite of the strenuous efforts of the medical and sanitary staffs to prevent a recurrence of plague, the number of deaths from this cause in 1903 was over the average. There were 1,415 cases of plague reported during the year, as compared with 572 in 1902. Of the total cases, 1,251 resulted in death. As usual, the greatest number of cases occurred in May and June. Sixty cases of small-pox were notified, 10 of cholera, 44 of enteric fever, and 397 of beri-beri.

The gradual improvement of the sanitation of the Colony is shown by the fact that, in spite of the long death-roll from plague, the death-rate from all causes among both non-Chinese and Chinese shows a diminution. This is partly and indirectly due to the steady decline in the mortality from malarial fever, against which a crusade is being maintained in this Colony with conspicuous success.

(C.) CLIMATE.

The average monthly temperature throughout the year was 71·5° F., as compared with 73·4° F. in 1902 and 71·3° F. during the ten preceding years. The maximum monthly temperature was attained in June, when it reached 82·0° F.; and the minimum monthly temperature was recorded in January, when it was 58·3° F. The highest recorded temperature during the year was 92·4° F. on July 31st, and the lowest 41·9° F. on February 3rd.

The returns from the Hong Kong Observatory show that the total rainfall for the year was 93·65 inches, as compared with an average of 77·86 inches during the past ten years. The wettest month was June with 25·23 inches the driest December with only 0·03 inch. The greatest amount of rain which fell on any one day was 8·50 inches on the 28th June, while no rain fell on 230 days of the year. The relative humidity of the atmosphere throughout the year was 77 per cent., as compared with an average of 78 per cent. during the past 10 years. The average daily amount of sunshine was 4·7 hours, being 42 per cent. of the possible duration.

X.—POSTAL SERVICE.

The revenue derived from all sources of the postal service amounted to $414,867.20, an increase of $27,801.01 on that of the previous year. The sale of stamps realised $373,877.73, or $19,927.74 more than was realised in 1902. All other branches of the service shewed an increase over the returns for the previous year.

Negotiations were entered into for the establishment of parcel-post services between this Colony and the United States of America and the Philippine Islands, and between this Colony and the Netherlands East Indies.

The transmission of letters to Europe *viâ* the Siberian route at the same rates of postage as for transmission *viâ* Suez came into operation on the 13th October.

XI.—MILITARY FORCES AND EXPENDITURE.

(A.) REGULAR FORCES.

The following return shows the number and composition of the forces employed in the Colony during 1903 :—

CORPS.	EUROPEANS.			INDIANS.		CHINESE.	TOTALS.
	Officers.	Warrant Officers.	N.C.O.'s and Men.	Officers.	N.C.O.'s and Men.	N.C.O.'s and Men.	
General Staff	5	—	—	—	—	—	5
Garrison Staff...	—	1	—	—	—	—	1
Royal Garrison Artillery	20	2	534	—	—	—	556
Hong Kong-Singapore Battalion, R.G.A....	16	—	10	8	480	—	514
Royal Engineers	13	4	172	—	—	—	189
Chinese S. M. M. Co., R.E.	—	—	—	—	—	70	70
1st Sherwood Foresters	31	2	744	—	—	—	777
Army Service Corps	3	2	7	—	—	—	12
Royal Army Medical Corps	8	1	42	—	—	—	51
A.O. Department and Corps	7	2	51	—	—	—	60
A.P. Department and Corps	3	1	7	—	—	—	11
Indian Sub-Medical Department	—	—	8	—	—	—	8
Educational Department	1	—	1	—	—	—	2
Army Chaplain's Department	1	—	—	—	—	—	1
110th Mahratta L. I....	11	—	—	15	703	—	729
93rd Burma Infantry	9	—	—	17	731	—	757
114th Mahrattas	12	—	—	16	724	—	752
Totals	140	15	1,576	56	2.638	70	4,495

(B.) COLONIAL CONTRIBUTION.

The Colony contributed $961,408.50 (being the statutory contribution of 20 per cent. of revenue) towards the cost of the maintenance of the regular forces in the Colony and Barrack Services.

(C.) VOLUNTEER CORPS.

The total establishment of the Corps is 400 of all ranks. The stength in 1903 was 239, made up as follows:—Staff, 7; two Garrison Artillery Companies, 203; one Engineer Company, 26; and a Band, 3.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $37,965.58.

GENERAL OBSERVATIONS.

Sir Henry Blake, K.C.M.G., left the Colony for Ceylon on the 21st November, and I administered the Government from that date until the end of the year. Major-General Sir William Gascoigne, K.C.M.G., who has commanded the troops for the last five years and who on two occasions (1900 and 1902) administered the Government of the Colony, relinquished his command in September, and was succeeded by Major-General Villiers Hatton, C.B.

The figures already given at the beginning of this Report are evidence of the continued prosperity of this port. The fluctuations of the silver market and the partial commercial depression arising from the prospect of political disturbances in the Far East have with other causes contributed to prevent the past year from being marked by special buoyancy of trade or steadiness in the stock market; but there is nothing to indicate that the trade interests and the wealth of this Colony have ceased to expand. But if the port is to preserve its predominant position as a great emporium for shipping, there are many problems which demand early consideration and timely action, such as the increase of the accommodation in the harbour for ocean-going steamers, the provision of more space for the housing of an ever increasing population, and the further development of the trade of the West River and its tributaries by the opening of new ports. Over-shadowing all these questions, however, is the pressing necessity for the speedy construction of the railway between Hong Kong and Canton, for which a concession was granted to a British syndicate some years ago by the Chinese Government. The development of railway enterprise in other parts of China has, in the opinion of the Government and the entire commercial community, rendered it of paramount importance to the prosperity of Hong Kong that this Colony should be connected by railway with the capital of the Kwangtung Province, which is to be connected by a trunk line with the Yangtse Valley.

I have, &c.,

F. H. MAY,

Officer Administering the Government.

COLONIAL REPORTS.

The following, among other, reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
400	Lagos	1902
401	British Solomon Islands	1902–1903
402	Cocos-Keeling Islands	1903
403	St. Vincent	1902–1903
404	Grenada	1903
405	Southern Nigeria...	1902
406	Straits Settlements	"
407	Trinidad and Tobago	1902–1903
408	Basutoland	"
409	Northern Nigeria...	1902
410	Malta	1902–1903
411	St. Lucia	1902
412	Mauritius	"
413	British Guiana	1902–1903
414	Jamaica	"
—	Bahamas (Printed separately as [Cd. 1985])...	1902
415	Falkland Islands	1902–1903
416	Leewards Islands...	"
417	British Honduras	1903
418	Bermuda	"
419	Weihaiwei...	"
420	St. Helena...	"

MISCELLANEOUS.

No.	Colony.	Subject.
15	Canada	Legal Status of British North American Indians.
16	Miscellaneous Colonies ...	Medical Reports.
17	Gilbert and Ellice Islands ...	Report for 1896–1900.
18	Hong Kong	Operations in New Territory during 1900.
19	Miscellaneous Colonies ...	Medical Reports.
20	Wei-Hai-Wei...	General Report.
21	Dominica	Report on Caribs.
22	Seychelles	Report on Para Rubber.
23	Dominica	Roads and Land Settlement.
24	Grenada	Land Settlement in Carriacou.
25	Hong Kong	Bubonic Plague, 1903.
26	Northern Nigeria	Mineral and Vegetable Products.

COLONIAL REPORTS—ANNUAL.

No. 451.

HONG KONG.

REPORT FOR 1904.

(For Report for 1903, *see* No. 421.)

Presented to both Houses of Parliament by Command of His Majesty.
July, 1905.

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No. 451.

HONG KONG.

(For Report for 1903, *see* No. 421.)

GOVERNOR SIR M. NATHAN to MR. LYTTELTON.

Government House,
Hong Kong,
2nd June, 1905.

SIR,—I have the honour to submit for your information the following general Report on the annual Blue Book for the year 1904.

I.—FINANCES.

The revenue for the year, exclusive of Land Sales, amounted to $6,322,949.35, or $1,594,257.18 more than the previous year Land Sales amounted to $486,098.64, or $24,067.07 less than in 1903. The total revenue from all sources was therefore $6,809,047.99, or $1,570,190.11 greater than in any previous year, and $200,739.99 more than the estimate. All the main sources of revenue show an excess over 1903 with the exception of the Post Office, Miscellaneous Receipts, Water Account and Land Sales, and all items similarly show an excess of actual over estimated receipts, with the exception of Post Office, Miscellaneous Receipts, and the Water Account.* Licences and Internal Revenue not otherwise specified show an excess of $283,757.78, while Fees of Court or Office, &c., and Rent of Government Property yielded over $25,000 and slightly under $6,000 respectively over the estimate.

The expenditure for the year was $4,993,421.18 exclusive of Public Works Extraordinary; inclusive of that item it was $6,376,235.30, or $979,565.82 more than the total expenditure of 1903. Deducting from the actual expenditure for 1904 the total actual receipts, there was a surplus of $432,812.69 on the actual working of the year.

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* This account was formerly credited with 2 per cent. of the rates levied in those Districts which are supplied with filtered water.

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(A.) GENERAL REVENUE AND EXPENDITURE.

The following is a brief abstract of revenue and expenditure for the years 1903 and 1904:—

Revenue.

—	1903.	1904.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Light Dues	74,960.00	72,330.16	—	2,629.84
Licences and internal revenue not otherwise specified.	2,849,936.09	4,509,162.78	1,659,226.69	—
Fees of Court, &c.	352,719.02	403,854.60	51,135.58	—
Post Office	414,867.20	408,458.92	—	6,408.28
Rent of Government property ...	615,683.01	688,321.41	72,638.40	—
Interest	5,964.73	7,813.43	1,848.70	—
Miscellaneous	178,602.00	167,059.66	—	11,542.34
Water Account	235,960.12	65,948.39	—	170,011.73
Land sales	510,165.71	486,098.64	—	24,067.07
Total ... $	5,238,857.88	6,809,047.	1,784,849.37	214,659.26
	Deduct decrease ..		214,659.26	
	Nett increase ...		1,570,190.11	

Expenditure.

—	1903.	1904.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Non-effective charges	391,893.89	372,154.46	—	19,739.43
General administration	951,837.14	900,784.82	—	51,052.32
Law and order	866,206.38	855,506.25	—	10,700.13
Public health...	685,206.11	647,926.69	—	37,279.42
Public instruction	132,619.74	155,189.34	22,569.60	—
Public works	1,369,532.14	2,129,900.58	760,368.44	—
Defence	999,374.08	1,314,773.16	315,399.08	—
Total ... $	5,396,669.48	6,376,235.30	1,098,337.12	118,771.30
	Deduct decrease ...		118,771.30	
	Nett increase ... $		979,565.82	

The following shows the total revenue and expenditure for the five years 1900-1904:—

—	1900.	1901.	1902.	1903.	1904.
	$	$	$	$	$
Revenue	4,202,587.40	4,213,893.22	4,901,073.70	5,238,857.88	6,809,047.99
Expenditure ...	3,628,447.13	4,111,722.49	5,909,548.51	5,396,669.48	6,376,235.30
Surplus	574,140.27	102,170.73	—	—	432,812.69
Deficit	—	—	1,008,474.81	157,811.60	—

(B.) Assets and Liabilities.

At the end of the year 1904, the assets of the Colony amounted to $1,445,381.80, exclusive of arrears of revenue, which, with the sum just mentioned bring the total assets up to $1,651,470.98. The total liabilities were $1,147,658.97, so that the surplus of assets over liabilities amounted to $503,812.01.

(C.) Public Debt.

There is a public debt of £341,799 15*s.* 1*d.* outstanding. The original debt was incurred in connection with the Praya Reclamation, the Central Market, and Water, Drainage and Sewerage Works.

Interest at 3½ per cent. is payable on the loan, which is being paid off by a sinking fund now amounting to £34,375 7*s.* 6*d.*

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE AND LAND.

(A.) Trade and Shipping.

The following table shows the principal articles of import in the year 1904 in vessels of European construction, compared with similar returns for 1903. The figures represent the tonnage: -

Articles.	1903.	1904.	Increase.	Decrease.
Beans	3,120	750	—	2,370
Bones	—	400	400	—
Coal	1,186,686	1,152,454	—	34,232
Cotton yarn and cotton ...	20,795	19,350	—	1,445
Flour	120,430	115,921	—	4,509
Hemp	24,149	19,382	—	4,767
Kerosine (bulk)	40,607	56,965	16,358	—
„ (case)	82,960	100,692	17,732	—
Lead	550	3,563	3,013	—
Opium	4,997	2,955	—	2,042
Liquid fuel	1,000	9,727	8,727	—
Rattan	4,020	5,080	1,060	—
Rice	597,730	823,339	225,609	—
Sandalwood	4,713	3,300	—	1,413
Sulphur	961	187	—	774
Sugar	229,946	205,696	—	24,250
Tea	1,746	—	—	1,746
Timber	64,400	66,200	1,800	—
General	1,594,600	1,564,678	—	29,922
Total	3,983,410	4,150,639	274,699	107,470
Transit	2,874,950	3,151,926	276,976	—
Grand Total ...	6,858,360	7,302,565	551,675	107,470
Nett			444,205	—

The total tonnage entering and clearing during the year 1904 amounted to 24,754,042 tons, being an increase, compared with 1903, of 714,180 tons, and the same number in excess of any previous year.

There were 58,093 arrivals of 12,388,892 tons, and 58,099 departures of 12,365,150 tons.

Of British ocean-going tonnage, 3,862,802 tons entered, and 3,845,932 tons cleared.

Of British river steamers, 2,849,896 tons entered, and 2,847,464 tons cleared.

Of foreign ocean-going tonnage, 2,679,908 tons entered, and 2,670,939 tons cleared.

Of foreign river steamers, 235,144 tons entered, and 235,227 tons cleared.

Of steam launches trading to ports outside the Colony, 52,892 tons entered, and 52,892 tons cleared.

Of junks in foreign trade, 1,524,874 tons entered, and 1,547,396 tons cleared.

Of junks in local trade, 1,183,376 tons entered, and 1,165,300 tons cleared.

Thus:—

—	Per cent.
British ocean-going tonnage represented	31·2
British river tonnage represented	23·1
Foreign ocean going tonnage represented...	21·3
Foreign river tonnage represented	1·9
Steam launches in foreign trade represented	0·5
Junks in foreign trade represented	12·5
Junks in local trade represented	9·5
Total	100·0

A comparison between the years 1903 and 1904 is given in the following table; steam launches are not included:—

—	1903.		1904.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British	8,449	11,250,296	10,190	13,406,094	1,741	2,155,798	—	—
Foreign	6,040	7,768,115	4,732	5,821,218	—	—	1,308	1,946,897
Junks in Foreign Trade	31,766	2,698,459	36,251	3,072,270	4,485	373,811	—	—
Total	46,255	21,716,870	51,173	22,299,582	6,226	2,529,609	1,308	1,946,897
Junks in Local Trade	58,215*	2,136,514°	62,965†	2,348,676†	4,750	212,162	—	—
Grand Total	104,470	23,853,384	114,138	24,648,258	10,976	2,741,771	1,308	1,946,897
Net					9,668	794,874		

° Including 17,210 Conservancy and Dust Boats of 637,052 tons.

† Including 32,424 Conservancy and Dust Boats of 1,176,625 tons.

For vessels under the British flag, this table shows a total increase of 1,741 ships of 2,155,798 tons, viz., an increase of 352 ships of 930,300 tons to ocean-going, and an increase of 1,389 ships of 1,225,498 tons to river trade.

The above increase in ocean-going trade is principally due to a large influx of colliers and other tramp steamers in ballast, attracted to the Far East by the war.

The increase in river trade is due to 10 new vessels having started to ply during the year.

Under foreign flags, the table shows a decrease of 1,308 ships of 1,946,897 tons, of which 159 ships are river steamers. The river steamers tonnage, however, shows an increase of 36,008 tons, giving a net decrease in foreign ocean shipping of 1,149 ships of 1,910,889 tons.

This decrease is due to:—

(1.) The disappearance of all Russian and almost all Japanese ships from the run since the war began.

(2.) The transfer of a large number of small German and Norwegian vessels to the Japanese coast trade.

(3.) A considerable decrease in numbers (but increase in tonnage) of vessels under United States of America colours.

The decrease in numbers of foreign river steamers is due to the smaller number of individual vessels plying, while the increased tonnage is accounted for by their larger size.

The actual number of ships of European construction (exclusive of river steamers and steam launches) entering the port during 1904 was 860, of which 498 were British and 362 foreign. These 860 ships entered 3,981 times, giving a total tonnage entered of 6,509,919 tons. Thus, compared with 1903, 119 more ships entered 38 times less and with a total tonnage decreased by 499,262 tons.

STEAMERS.

Flag.	Ships.		No. of times entered.		Total tonnage.	
	1903.	1904.	1903.	1904.	1903.	1904.
British	331	498	1,982	2,151	3,368,788	3,843,355
Austrian	15	13	42	32	106,944	102,349
Belgian	—	1	—	1	—	2,047
Chinese	14	15	172	180	222,164	241,085
Danish	8	4	27	13	48,676	26,817
Dutch	11	9	21	44	34,575	84,379
French	42	36	262	238	246,837	234,977
German	126	147	937	861	1,345,567	1,268,835
Italian	3	6	12	20	32,732	38,212

Steamers—cont.

Flag.	Ships.		No. of times entered.		Total tonnage.	
	1903.	1904.	1903.	1904.	1903.	1904.
Japanese	69	30	467	51	1,017,263	114,951
Norwegian	51	60	318	253	319,685	276,211
Portuguese	1	4	30	53	7,110	12,167
Russian	9	5	19	5	30,781	14,578
Spanish...	—	2	—	2	—	6,017
Swedish	4	4	31	12	26,093	8,582
United States	24	24	61	64	200,706	232,857
No flag	1	1	2	1	1,260	2,500
Total	709	859	4,383	3,981	7,009,181	6,509,919

SAILING VESSELS.

Flag.	Ships.		No. of times entered.		Total tonnage.	
	1903.	1904.	1903.	1904.	1903.	1904.
British	13	11	14	11	27,525	19,447
Dutch	—	1	—	1	—	84
French	4	2	4	2	7,194	3,444
German	1	1	1	1	2,045	47
Italian	—	2	—	2	—	994
Japanese	1	—	1	—	120	—
Norwegian	1	2	1	2	1,498	3,651
Sarawak	1	1	4	2	2,676	1,338
Swedish	1	—	1	—	1,271	—
United States	9	4	9	4	11,177	2,867
No Flag	1	1	1	1	1,498	919
Total ...	32	25	36	26	55,004	32,791

During the year 1904, 14,922 vessels of European construction, of 19,227,312 tons (nett register), reported having carried 10,572,844 tons of cargo, as follows:—

—	Tons.
Import cargo	4,150,639
Export cargo	2,605,861
Transit cargo	3,151,926
Bunker coal shipped	664,418
Total	10,572,844

In imports there is an increase reported of 167,229 tons.

In exports there is an increase reported of 360,742 tons.

In transit cargo there is an increase reported of 276,976 tons.

The total reported import trade of the port for 1904 amounted to 26,588 vessels of 11,205,516 tons, carrying 7,889,978 tons of cargo, of which 4,738,052 tons were discharged at Hong Kong. This does not include the number, tonnage, or cargo of junks or steam launches employed in local trade.

Similarly, the export trade from the port was represented by 26,639 vessels of 11,199,850 tons, carrying 3,436,726 tons of cargo, and shipping 670,811 tons of bunker coal.

Seventy-six thousand three hundred and four (76,304) emigrants left Hong Kong for various places during the year; of these, 52,496 were carried by British ships and 23,808 by Foreign ships; 149,195 were reported as having been brought to Hong Kong from those places to which they had emigrated, and of these, 121,735 were brought in British ships and 27,460 by Foreign ships.

The total revenue collected by the Harbour Department during the year was $300,933.95, being an increase of $15,645.53 on the previous year:—

—	Amount.
	$ c.
1. Light dues	72,330.16
2. Licences and internal revenue	62,418.00
3. Fees of Court and office	166,185.79
Total ... ...$	300,933.95

(B.) INDUSTRIES.

For the first ten months of 1904 the cotton spinning industry suffered severely from the abnormally high price of raw cotton, and during the whole of that period short-time was resorted to. From November onwards a good demand was experienced for yarn and full-time again adopted, but it was not until the middle of December that, as a result of large crops of cotton in the chief producing countries, the cost of the raw material declined to a figure that permitted of spinning being carried on at a profit. At the end of 1904 the outlook for the industry was encouraging, and, provided the price of cotton keeps at a reasonable level, the result of the working for 1905 is expected to be highly satisfactory.

The sugar industry in the Colony during 1904 resulted in large profits to the two local refineries. Owing to the scarcity of supplies in consequence of the large deficiency in the European beet crop, prices gradually advanced throughout the year, without checking demand; the quantity of refined sugar consumed in China largely exceeding that of any previous year, whilst there was also a good demand from other markets.

Forty-one steam launches and other vessels with an aggregate tonnage of 7,290 were built during the year.

The other large industries in the Colony connected with repairing and docking ships and the manufacture of cement and rope, are in a prosperous condition.

(C.) FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and many others in the New Territory are largely dependent upon this industry for their prosperity. Freshwater fish is imported from Canton and the West River.

Rules for the regulation, control, and licensing of oyster fisheries in the New Territory were made during the year.

(D.) FORESTRY, BOTANICAL SCIENCE AND AGRICULTURE.

111,198 trees were planted in Hong Kong during the year including 105,645 pine and 1,978 camphor trees. It was proposed at the commencement of the year to introduce a scheme for felling and re-planting pine forests on the block system with a twenty-five years rotation. But as the scheme was looked upon with ill-favour by the public and as the opinion was expressed in well-informed quarters that a longer period of rotation was preferable, it was decided to suspend felling operations while the advice of the Indian Government was obtained. A scheme of issuing forestry licences in the New Territories was initiated in the hope of inducing the Chinese to adopt more economical methods in dealing with the considerable plantations of pine trees formed before the cession of the Territories, and with the object of tempting them to take up fresh areas of waste lands for further planting. The small area available for rice cultivation and the unfertility of the soil combine to prevent agriculture from becoming a prominent industry in the Colony. The low-lying land in the New Territories is probably utilised to nearly the fullest extent possible, and it is therefore from the profitable cultivation of the steep hill slopes that any increase in the productiveness of the Territories may be derived. In this connection the cultivation of pine apple and experiments that are being made with sisal hemp are of much interest.

(E.) LAND GRANTS AND GENERAL VALUE OF LAND.

The amount received from sales of Crown land was over $486,000, being some $24,000 less than the receipts for the previous year.

Building land in the urban portion of the Colony and in the Peak District is limited in extent and steadily increasing in value. The natural consequence is that house-rents, especially on the higher levels, have advanced to an extent probably unknown in other British Colonies.

III.—LEGISLATION.

Sixteen Ordinances were passed during 1904, of which six were measures for the amendment of existing Ordinances. The most important measure was the Sugar Convention Ordinance (No. 14 of 1904) giving effect to Article VIII of the Brussels Sugar Convention, 1902. By the Hill District Reservation Ordinance (No. 4) a residential area is preserved at the Peak. The Opium Monopoly was further protected by an Ordinance (No. 10) controlling the importation and sale of compounds of opium. By the Pilots Ordinance (No. 3) provision was made for the examination and licensing of Pilots, who must be British subjects.

IV.—EDUCATION.

The number of Government and Grant Schools including Queen's College, is 81, of which 23 are Upper Grade Schools in which at least part of the staff is European, and 58 are Lower Grade Schools, under purely native management. Broadly speaking the Upper Grade Schools teach in English, and the Lower Grade Schools teach in the vernacular.

The total number of scholars in average attendance at Government and Grant Schools was 4,970. Of these, 1,665 were in Government and 3,305 in Grant Schools; 2,906 scholars received instruction in English, and 2,064 in the vernacular. The proportion of boys to girls was 3,236 to 1,734, or a little less thas two to one.

A small Anglo-Chinese School was opened at Un Long in the New Territory early in 1904; and arrangements were made to open a new school for children of British parentage at Caroline Hill, East Point. The Kowloon School for children or similar parentage, opened is 1902, has had an average attendance of 54·8 as against 46·4 in 1903.

The New Code for Grant Schools has been in force during the year, and has worked very satisfactorily.

It was decided to introduce the study of Hygiene into all Government and Grant Schools and a suitable text book was prepared.

The revenue derived from School Fees was $36,251.50. The expenditure was $151,589, being 2.32% of the total expenditure of the Colony.

V.—PUBLIC WORKS.

The principal public works in progress during the year were the Tytam Tuk Water Works (1st Section) commenced in March and consisting of a storage reservoir with a capacity of 194 million gallons, two sets of engines and pumps capable of lifting 1¼ million gallons a day each with 18″ pipe line; the construction of a new 20-foot road to accommodate the mains of the Tytam Tuk Water Works, and improve the road communications of the Island; the Kowloon Water Works, previously described, on which good progress was made; the New Law Courts, Harbour Office, Western Market, Bacteriological Institute, Disinfecting Station at Kowloon, Gunpowder Depôt at Green Island; the further extension of the Cattle Depôt, and the foundations for the New Post Office and Government Offices. A commencement was made with quarters for officers at Taipo, and a Public School at Yaumati. Another bath-house for both sexes in the western part of the town was completed. An area in Kau U Fong, Victoria, recommended by the sanitary experts for resumption, was purchased by the Government at a cost of over $220,000. Good progress was made with the scheme of 100-foot thoroughfares in Kowloon, the road through the King's Park being completed and portions of several lots resumed for the extension of Robinson Road northwards. About $40,000 was spent on Nullah Training in the Colony and $20,000 on the re-construction of street gullies to improve the city drainage system. A beginning was made towards improving the lighting of the harbour approaches by arranging for the transfer of the 1st order light at Cape D'Aguilar to a new tower on Green Island. Reclamation was undertaken at Tai-kok-tsui, in conjunction with a private owner, by which that locality will be much improved. New rifle ranges near Kowloon were constructed by the Military Authorities at the expense of the Colony. The laying of a heavy specially wound cable for telephonic purposes across the harbour was successfully undertaken during the year. The work of laying rider-mains was also commenced.

The total amount expended on Public Works Extraordinary, exclusive of the Praya East Reclamation and rider-mains, was $1,264,351.30 and on works annually recurrent $532,751.85.

VI.—GOVERNMENT INSTITUTIONS.

(A.) HOSPITALS.

Government Hospitals consist of the Civil Hospital to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, the Kennedy Town Infectious Diseases Hospital, and the hulk "*Hygeia*" used mainly for the treatment of small-pox.

The Civil Hospital contains 150 beds in 19 wards. 2,585 in-patients and 13,106 out-patients were treated during the year 1904. 223 cases of malarial fever were admitted as against 346 in 1903 and 349 in 1902. The Maternity Hospital contains 4 beds for Europeans and 4 for Asiatics. 61 confinements occurred during the year with two deaths. The Victoria Hospital, opened in November, 1903, by Sir Henry Blake, is situated at the Peak and contains 41 beds. During 1904, 111 patients were under treatment. Kennedy Town Hospital contains 26 beds in the main building. In 1904, 87 cases were treated, of which 78 were plague and 5 cholera. On the "*Hygeia*" 40 cases were treated, of which 32 were small-pox.

(B.) LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Government Civil Hospital. European and Chinese patients are separate, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 166 patients of all races were treated during 1904, and there were 13 deaths.

(C.) THE TUNG WA HOSPITAL.

This Hospital, opened in 1872, is mainly supported by voluntary subscriptions of Chinese, but receives an annual grant of $6,000 from the Government. Only Chinese are treated in this institution which takes the place of a poor-house and hospital for Chinese sick and destitute, and is administered by an annually-elected body of 15 Chinese directors. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. The Hospital is managed by a Committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. The financial position of the Hospital was improved during the year and its title to its investments in land was secured by Ordinance.

OTHER GOVERNMENT INSTITUTIONS.

The Prison, Observatory, Post Office, Educational Establishments, and other Government institutions are dealt with under separate heads.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the College of Medicine for Chinese, and the City Hall.

The Pó Leung Kuk is an institution, incorporated in 1893, presided over by the Registrar-General and an annually-elected Committee of 12 Chinese gentlemen, for the protection of women and children. The inmates of the home receive daily instruction in elementary subjects, and are allowed to earn pocket-money by needle-work. During 1904, a total of 676 persons were admitted. Of these, 287 were released after enquiry, 38 were released under bond, 138 were placed in charge of their husbands, parents or relations, eight were placed in charge of the Japanese Consul, 76 were sent to charitable institutions in China, 15 were sent to school, convent or refuge, 11 were adopted, 29 were married, and two died. In consequence of an epidemic of beri-beri during the summer, the women's quarters were vacated, and the inmates temporarily distributed between Tung Wa Hospital and the Italian Convent.

The Hong Kong College of Medicine for Chinese was founded in 1887, for the purpose of teaching surgery, medicine, and obstetrics to Chinese. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. Eighty-seven students have been enrolled up to the end of 1904, and of these 19 have become qualified licentiates, and have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science among the Chinese; and in addition to the employment of certain of the licentiates in the public service, the senior students have frequently been made use of for various purposes during epidemics. A Government grant-in-aid of $2,500 is made to the College, to be used as honoraria to the lecturers.

The City Hall receives an annual grant of $1,200 from Government. It contains a reference library and museum.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 11,812, an increase of 560 or 4·97 per cent. over those reported in 1903. In the division of these cases into serious and minor offences, there is a decrease in the former as compared with the previous year from 4,862 to 3,532, that is of over 27 per cent., occurring in every nature of crime with the exception of offences against women and girls.

The number of serious offences reported was 334 below the average of the quinquennial period commencing with the year 1900.

The number of minor offences reported shows an increase of 1,890 over the number for 1903, mainly in offences against the Prepared Opium Ordinance, due to a considerable rise in the price of opium and consequent surreptitious manufacture and smuggling of the drug, and in offences against the sanitary bye-laws, which were more stringently enforced as the public became better acquainted with the provisions of the Public Health and Buildings Ordinance of the previous year.

The number of minor offences reported was 1,640 over the average of the quinquennial period.

The total number of persons committed to Victoria Gaol was 7,464, as compared with 7,273 in 1903, but of these only 4,027 were committed for criminal offences, against 4,644 in 1903. Of committals for non-criminal offences there were 439 more under the Prepared Opium Ordinance and 133 more for infringement of Sanitary By-laws.

The daily average of prisoners confined in the Gaol was 726, the highest previous average being 653 in 1903. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·201 as compared with 0·189, the average percentage for the last ten years. The Prison discipline was satisfactory, the average of punishments per prisoner being 1·1, as compared with 2·34 in 1903 and 3·42 in 1902. The continued overcrowding of the Gaol emphasises the necessity for the proposed new Convict Prison, and the question of a fresh site has for some time past been under consideration.

The remunerative labour carried on in the Gaol consists of printing, bookbinding, washing, carpentry, boot-making, net-making, painting and whitewashing, mat-making, tailoring, oakum-picking, &c., the value of the work done being $47,938.13.

The total strength of the Police Force for 1904 was Europeans 133, Indians 375, Chinese 485, making a total of 993, as compared with 921 in 1903 exclusive in each case of the four Superior officers and a staff of clerks and coolies. Of this Force an Assistant Superintendent, who also acted as Magistrate, and 20 Europeans, 81 Indians and 43 Chinese were stationed in the New Territory during the greater part of the year.

The force of District Watchmen to which the Government contributes $2,000 per annum was well supported by Chinese during the year and its strength increased by 13 to a total of 95.

IX.—VITAL STATISTICS.

(A.) POPULATION.

The population of the Colony according to the census taken in 1897 was 248,880 and according to the census of 1901 it was 283,975 exclusive of New Kowloon and the Army and Navy Establishments. The estimated population at the middle of the year under review was 361,206, as follows:—

—	Population.	
Non-Chinese Civil Community		10,181
Chinese Population—		
Hong Kong	206,304	
Old Kowloon	65,072	
New Kowloon (approximate)...	20,000	
Floating population	50,930	
		342,306
Army	4,359	
Navy	4,360	
		8,719
Total		361,206

New Kowloon was brought under the jurisdiction of the Sanitary Board in 1904, and its estimated population has accordingly been included. The population of the remainder of the New Territories according to the census of 1901 was 85,011 making when added to the present estimate a grand total of 446,217.

The total strength of the British Fleet on the China Station was estimated at 10,067, as compared with 8,905 in the previous year. At the census taken in 1901 the actual number of members of the Navy present in the Colony was 5,597 and the estimated average number resident in Hong Kong during 1904 is put at 4,360.

The total number of births registered in the Colony was 1,205, and of deaths 6,118. This gives an annual birth-rate of 3·3 and a death-rate of 16·94 per 1,000, as compared with 3·2 and 18·9 in 1903. The death-rates both in the Chinese and non-Chinese sections of the community were lower than any recorded in the last 15 years. The excess of deaths over births is explained by the fact that thousands of Chinese families are represented in Hong Kong by men only, there being a very large floating population of adult males, and that many of the Chinese in case of illness return to their own country. It should also be remembered that a large proportion of births among the Chinese remains unregistered, though steps are being taken to remedy this irregularity as far as possible.

(B.) Public Health and Sanitation.

It is satisfactory to note that during the year under review a better acquaintance on the part of the Chinese with the requirements of the Public Health and Buildings Ordinance of 1903 has resulted in a marked decrease in the opposition, especially with regard to the cleansing and disinfection of houses, that at first did much to impede its successful operation.

The houses that are in course of erection in accordance with the provisions of this Ordinance show considerable improvement on the existing type of house as regards adequate lighting and ventilation. The question of overcrowding is still an urgent one, the number of persons per acre in the built-over area of the Central Districts having increased from 562 in 1902 to 608 in 1904. It was hoped that the electric tramway, opened early in the year, would cause the coolie classes to move to the outskirts of the City, but it has rather had the opposite effect, the tendency being for labourers to come into the centre of the City to live and to take advantage of the cheap fares to go out to their work.

Under the Insanitary Properties Resumption Scheme an area of 24,898 square feet has been resumed in one of the most densely populated areas of the City for the purpose of forming a wide street through the existing block of houses, and a further open space has been given to the public by the opening of Blake Park in the Western Taipingshan District.

There were 495 deaths from plague; this was 756 less than in 1903 and except for the years 1895 and 1897 the lowest mortality since the first outbreak of the disease in 1894. Respiratory diseases accounted for 1,394 deaths among the Chinese, or 23·7 of the total number of Chinese deaths. The deaths from beri-beri were high, totalling 735 for the year. The result of the measures adopted for the prevention of malaria is seen in the continuous reduction in the number of deaths from this disease from 574 in 1901 to 301 in 1904.

(C.) CLIMATE.

The average monthly temperature throughout the year was 71·6° F. as compared with 71·5° F. in 1903 and 72·0° F. during the ten preceding years. The maximum monthly temperature was attained in August, when it reached 86·0° F., and the minimum monthly temperature was recorded in January, when it was 55·4° F. The highest recorded temperature during the year was 91·1° F. on the 26th of June, and the lowest 44·8° F. on December 24th.

The total rainfall for the year was 80·41 inches as compared with an average of 77·33 inches during the past ten years. The wettest month was August, with 27·64 inches, the dryest, January, with only 0·12 inch. The greatest amount of rain which fell on any one day was 11·135 inches on the 25th August, while no rain fell on 137 days of the year. The relative humidity of the atmosphere throughout the year was 77 per cent., as compared with an average of 77 per cent. during the past ten years. The average daily amount of sunshine was 5·2 hours being 46 per cent. of the possible duration.

X.—POSTAL SERVICE.

The total receipts paid into the Treasury in 1904 by the Postal Department amounted to $532,742.94 from which sum $124,282 was transferred to other heads of General Revenue under which fees and duties are paid in stamps, which are now sold exclusively by the Post Office, leaving the sum of $408,418.92 as Revenue of the Postal Service. The net profit of the Postal Department after deducting $316,756.56 as expenditure, amounted to $91,702.36 being an increase of $11,012.56 more than that realised in 1903.

Books containing 1, 2 and 4-cent stamps to the value of $1 were available from the beginning of the year and were purchased to the number of 3,040. A direct exchange of money orders with the Transvaal Post Office was arranged. British Postal Orders are now cashed in Hong Kong and the British Postal Agencies in China.

The Parcel Post Convention concluded with the United States of America came into force at the beginning of the year.

All branches continue to show an increase over the returns for the previous year.

XI.—MILITARY FORCES AND EXPENDITURE.

(A.) Regular Forces.

The following return show the number and composition of the forces employed in the Colony during 1904:—

Corps.	Europeans.		Indians.		Chinese.	
	Officers.	W. O.'s, N. C. O.'s & Men.	Native Officers.	W. O.'s, N. C. O.'s, & Men.	N. C. O.'s & Men.	Totals.
General Staff	5	—	—	—	—	5
Garrison Staff	—	3	—	—	—	3
Royal Garrison Artillery	17	625	—	—	—	642
Hong Kong-Singapore Bn. R. G. A.	10	9	7	389	—	415
Royal Engineers	13	196	—	—	—	209
Chinese S. M. M. Co., R. E. ...	—	—	—	—	69	69
1st Sherwood Foresters	11	446	—	—	—	457
Army Service Corps	4	20	—	—	—	24
Royal Army Medical Corps ...	10	41	—	—	—	51
A. O. Department and Corps ...	7	31	—	—	—	38
A. P. Department and Corps ...	3	8	—	—	—	11
110th Mahratta L. I.	8	—	14	698	—	720
93rd Burma Infantry	8	—	14	690	—	712
114th Mahrattas	8	—	14	189	—	716
2nd Royal West Kent Regiment ...	1	47	—	—	—	48
Totals	105	1,426	49	2,466	69	4,115

(B.) Colonial Contribution.

The Colony contributed $1,270,741.03 (being the statutory contribution of 20 per cent. of revenue) towards the cost and maintenance of the regular forces in the Colony and Barrack Services.

(C.) VOLUNTEER CORPS.

The total establishment of the Corps is 426 of all ranks. The strength on the 31st December, 1904, was 272, made up as follows:—Staff, 8; two Garrison Artillery Companies, 202; one Engineer Company, 32; Band 3; Troop 27.

A small mounted Corps was formed in the latter part of the year under the designation of the Hong Kong Volunteers Troop, for purposes of scouting and to act as orderlies in time of war.

An association called the Hong Kong Volunteer Reserve Association was also formed. Members, who must be over 35 years of age, are required to make themselves proficient in rifle shooting and undertake to enrol themselves under the Volunteer Ordinance in the event of hostilities. The Association numbered ninety-six members at the close of the year.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $44,032.13.

XII.—GENERAL OBSERVATIONS.

The outbreak of war between Russia and Japan on the 8th February was not without effect on the shipping trade of Hong Kong. The percentage of British to total tonnage entering and clearing, which had fallen continuously from 75 to 59 in the previous ten years, rose to 70 in 1904 owing to causes already given in this report. The war brought in its train various questions, involving recourse to the law courts of the Colony, relating to its effect on charter parties and to the refusal of duty by seamen on the ships carrying contraband. Speculation in blockade running resulted in some heavy losses to the Chinese and there was tightness of money at the end of the year. After the naval action at Chemulpo on the 9th February some Russian wounded were treated in the Hong Kong Hospitals pending removal to Europe and the attention paid to them was duly recognised by the Russian Government. Later 4 officers and 61 men from a Russian torpedo boat destroyer, who had taken refuge at Weihaiwei, were transferred to Hong Kong and arrangements for their maintenance here made in consultation with the Russian Consul.

An attempt was made in the latter half of the year to start the shipment to South Africa *viâ* Hong Kong of indentured labourers recruited in the Kwang Si and Kwang Tung Provinces on similar conditions as regards terms of engagement and arrangements for transport to those embodied in the Convention for shipment of labourers to South Africa from the Treaty Ports, which was signed in London on the 13th May, 1904. An agreement was made by the Acting Consul General at

Canton with the Viceroy of the Two Kwang for despatching to Hong Kong labourers recruited at Wuchow by the Chinese officials. The class of recruits obtained in this manner was not satisfactory nor were the numbers obtainable from the two Provinces, in the face of opposition from persons interested in recruiting for other countries, sufficient to justify the maintenance of the depôt here. The attempt was therefore abandoned after 1,746 labourers had been despatched.

A rebellion in Kwang Si, which died down towards the end of the year, enabled Hong Kong to render a service to China by rigorously maintaining restrictions on the export of arms and ammunition from the Colony.

The construction of a railway from Canton to the frontier of the territory under British jurisdiction, for which the British and China Corporation had made a preliminary agreement with the Chinese Government on the 28th March, 1899, formed the subject of discussion in London with the Directors of the Corporation with a view to an arrangement being made for working this railway with one to be constructed from the frontier of the New Territories to the sea at British Kowloon. The strong feeling of the Government and of the entire commercial community of the Colony as to the importance of the complete undertaking to the prosperity of Hong Kong was expressed in the Report on the Blue Book for 1903.

During the year the work of the New Territories Land Court, established in 1900, and subsequently reconstituted, was completed. 354,277 separate lots had been demarcated and their ownership determined at a cost of $143,615. Appropriate titles to these lots have been since issued.

The rice crops in the New Territories were good, and an increase in the number of houses in nearly all the villages evidenced increased prosperity. The peasants appeared to appreciate the greater security they derived from adequate police protection and showed willingness to assist in improving road communications.

Building activity in old Kowloon and Yaumati gives hope that in time the considerable available area on the mainland south of the hills will furnish relief to the congested districts of Victoria. This relief will probably be accelerated when the proposed railway is in hand.

On the Island satisfactory progress was made on the two large docks under construction by the Admiralty and by Messrs. Butterfield & Swire. The 3′ 6″ electric Tramway from Kennedy Town through Victoria to Shau-ki-wan village (9¼ miles of route) was opened to traffic and in spite of fares that are high for China is largely used by Chinese of all classes.

Generally the year was a healthy one marked by steady development but not characterized by any event of great importance.

The Government was administered by Mr. F. H. May, C.M.G., from the commencement of the year until my arrival on the 29th July.

I have, &c.,

M. NATHAN,

Governor, &c.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions, have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
425	Ceylon	1903
426	Gold Coast	"
427	Lagos	"
428	Bahamas	1903–1904
429	Northern Territories of the Gold Coast	1903
430	Mauritius	"
431	Seychelles	"
432	Barbados	1903–1904
433	Southern Nigeria	1903
434	Fiji	"
435	Straits Settlements	"
436	Grenada	"
437	Northern Nigeria	"
438	Jamaica	1903–1904
439	Malta	"
440	Bechuanaland Protectorate	1902–1903 & 1903–1904
441	British Guiana	"
442	Trinidad and Tobago	"
443	St. Lucia	"
444	Basutoland	"
445	Leeward Islands	"
446	St. Vincent	"
447	Bermuda	1904
448	St. Helena	"
449	Falkland Islands	"
450	Weihaiwei	"

MISCELLANEOUS.

No.	Colony.	Subject.
23	Dominica	Roads and Land Settlement.
24	Grenada	Land Settlement in Carriacou.
25	Hong Kong	Bubonic Plague, 1903.
26	Northern Nigeria	Mineral and Vegetable products.
27	Miscellaneous Colonies	Medical Reports.
28	Gold Coast and Sierra Leone	Rubber.
29	Ceylon	Geological Survey.
30	Pitcairn Island	Report by Mr. R. T. Simon.

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COLONIAL REPORTS—ANNUAL

No. 485.

HONG KONG.

REPORT FOR 1905.

(For Report for 1904, *see* No. 451.)

Presented to both Houses of Parliament by Command of His Majesty.

June, 1906.

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No. 485.

HONG KONG.

(For Report for 1904, *see* No. 451.)

THE GOVERNOR to THE SECRETARY OF STATE.

Government House,
Hong Kong,
27th April, 1906.

MY LORD,

I HAVE the honour to submit for your Lordship's information the following general report on the Annual Blue Book for the year 1905.

I.—FINANCES.

The revenue for the year, exclusive of Land Sales, amounted to $6,526,144.09, or $203,194.74 more than the previous year. Land Sales amounted to $392,259.76, or $93,838.88 less than in 1904. The total revenue from all sources was, therefore, $6,918,403.85, or $109,355.86 greater than in any previous year, and $280,207.15 less than the estimate. All the main sources of revenue show an excess over 1904, with the exception of "Rent of Government Property," "Miscellaneous Receipts," and "Land Sales."

"Post Office Receipts," "Interest," and "Water Account" brought in together $34,933.55 more than was estimated. The receipts under the remaining heads of revenue were altogether $315,140.70 less than were anticipated when the estimates were drawn up.

The expenditure for the year was $5,277,834.45 exclusive of "Public Works Extraordinary"; inclusive of that item it was $6,951,275.26, or $575,039.96 more than the total expenditure of 1904, and $223,916.74 less than the estimates for 1905.

Deducting from the actual receipts for 1905 the total actual expenditure, there was a deficit of $32,871.41 on the actual working of the year.

(A.) GENERAL REVENUE AND EXPENDITURE.

The following is a brief abstract of revenue and expenditure for the years 1904 and 1905:—

Revenue.

—	1904.	1905.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Light Dues	72,330.16	74,233.45	1,903.29	—
Licences and internal revenue not otherwise specified.	4,509,162.78	4,725,906.25	216,743.47	—
Fees of Court, &c.	403,854.60	417,417.37	13,562.77	—
Post Office	408,458.92	414,838.19	6,379.27	—
Rent of Government property ...	688,321.41	672,161.82	—	16,159.59
Interest	7,813.43	10,073.12	2,259.69	—
Miscellaneous	167,059.66	121,491.65	—	45,568.01
Water Account	65,948.39	90,022.24	24,073.85	—
Land sales	486,098.64	392,259.76	—	93,838.88
Total ... $	6,809,047.99	6,918,403.85	264,922.34	155,566.48
	Deduct decrease ..		155,556.48	
	Nett increase ...		109,355.86	

Expenditure.

—	1904.	1905.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Non-effective charges	372,154.46	365,108.59	—	7,045.87
General administration	900,784.82	1,226,584.57	325,799.75	—
Law and order	855,506.25	846,275.69	—	9,230.56
Public health...	647,926.69	653,420.65	5,493.96	—
Public instruction	155,189.34	162,277.58	7,088.24	—
Public works	2,129,900.58	2,276,646.79	146,746.21	—
Defence	1,314,773.16	1,420,961.89	106,188.23	—
Total ... $	6,376,235.30	6,951,275.26	591,316.39	16,276.43
	Deduct decrease ...		16,276.43	
	Nett increase ... $		575,039.96	

The following table shows the total revenue and expenditure for the five years 1901-1905:—

—	1901.	1902.	1903.	1904.	1905.
	$	$	$	$	$
Revenue	4,213,893.22	4,901,073.70	5,238,857.88	6,809,047.99	6,918,403.85
Expenditure ...	4,111,722.49	5,909,548.51	5,396,669.48	6,376,235.30	6,951,275.26
Surplus	102,170.73	—	—	432,812.69	—
Deficit	—	1,008,474.81	157,811.60	—	32,871.41

(B.) ASSETS AND LIABILITIES.

At the end of the year 1905 the assets of the Colony amounted to $15,560,894.98, or including arrears of revenue $15,891,606.13. The total liabilities were $15,119,399.32, so that the surplus of assets over liabilities amounted to $772,206.81.

(C.) PUBLIC DEBT.

There is a public debt of £341,799 15*s.* 1*d.* outstanding. The original debt was incurred in connection with the Praya Reclamation, the Central Market, and Water, Drainage and Sewerage Works. Interest at 3½ per cent. is payable on the loan, which is being paid off by a sinking fund now amounting to £37,611 14*s.* 4*d.*

An advance by the Crown Agents of £1,100,000 for the purposes of a loan to the Viceroy of the Hu-Kuang Provinces is referred to under the heading of "General Observations" at the end of this report.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(A.) TRADE AND SHIPPING.

The following table, in which the figures represent tonnage, shows the principal articles of import in the year 1905 in vessels of European construction, compared with similar returns for 1904:—

Articles.	1904.	1905.	Increase.	Decrease.
Beans	750	2,113	1,363	—
Bones	400	—	—	400
Coal	1,152,454	1,083,987	—	68,467
Cotton yarn and cotton ...	19,350	32,949	13,599	—
Flour	115,921	54,508	—	61,413
Hemp	19,382	26,784	7,402	—
Kerosine (bulk)	56,965	43,411	—	13,554
" (case)	100,692	74,506	—	26,186
Lead	3,563	800	—	2,763
Opium	2,955	2,983	28	—
Liquid fuel	9,727	850	—	8,877
Rattan	5,080	3,430	—	1,650
Rice	823,339	566,171	—	257,168
Sandalwood	3,300	3,386	86	—
Sulphur	187	—	—	187
Sugar	205,696	311,787	106,091	—
Tea	—	900	900	—
Timber	66,200	66,324	124	—
General	1,564,678	1,594,862	30,184	—
Total	4,150,639	3,869,751	159,777	440,665
Transit	3,151,926	3,415,418	263,492	—
Grand Total ...	7,302,565	7,285,169	423,269	440,665
	Nett ...	...	—	17,396

The total tonnage entering and clearing during the year 1905 amounted to 34,185,091 tons, being an increase, compared with 1904, of 622,305 tons, and the highest tonnage yet recorded.

There were 227,909 arrivals of 17,142,393 tons, and 224,849 departures of 17,042,698 tons.

Of British ocean-going tonnage, 3,839,080 tons entered and 3,833,274 tons cleared.

Of British river steamers, 2,776,982 tons entered and 2,777,040 tons cleared.

Of foreign ocean-going tonnage, 2,917,550 tons entered and 2,903,235 tons cleared.

Of foreign river steamers, 329,743 tons entered and 329,854 tons cleared.

Of steamships under 60 tons trading to ports outside the Colony, 35,724 tons entered and 35,724 tons cleared.

Of junks in foreign trade, 1,428,966 tons entered and 1,446,474 tons cleared.

Of steamships under 60 tons plying within the waters of the Colony, 4,622,661 tons entered and 4,546,651 tons cleared.

Of junks in local trade, 1,191,717 tons entered and 1,170,446 tons cleared.

Thus:—

—	Per cent.
British ocean-going vessels represented	22·4
Foreign ocean going vessels represented	17·0
British river steamers represented	16·2
Foreign river steamers represented...	2·0
Steamships under 60 tons foreign trade represented	0·2
Junks in foreign trade represented	8·5
Steamships under 60 tons local trade represented	26·7
Junks in local trade represented	7·0
Total	100.0

Comparative Shipping Return for the Years 1904 *and* 1905.

—	1904.		1905.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British ocean going	4,318	7,708,734	3,995	7,672,324	—	—	323	36,410
Foreign ocean going	3,696	5,350,847	3,845	5,820,785	149	469,938	—	—
British river steamers	5,872	5,697,360	7,488	5,554,022	1,616	—	—	143,338
Foreign river steamers	1,036	470,371	975	659,597	—	189,226	61	—
Steamships under 60 tons (foreign trade).	2,054	105,784	1,800	71,448	—	—	254	34,336
Junks in Foreign Trade	36,251	3,072,270	33,475	2,875,440	—	—	2,776	196,830
Total	53,227	22,405,366	51,578	22,653,616	1,765	659,164	3,414	410,914
Steam launches plying in the Colony	307,502	8,808,744	337,913	9,169,312	30,411	360,568	—	—
Junks in Local Trade	62,965°	2,348,676*	63,267*	2,362,163°	302	13,487	—	—
Grand Total	423,694	33,562,786	452,758	34,185,091	32,478	1,033,219	3,414	410,914
Net					29,064	622,305	—	—

° Including 32,424 Conservancy and Dust Boats of 1,176,625 tons.

For ocean vessels under the British flag, this table shows a decrease of 320 ships of 36,410 tons. This decrease loses any significance it may at first sight appear to possess when viewed in conjunction with my report for 1904, where an increase appeared of 352 ships of 930,300 tons, which was shown to be practically due to special circumstances connected with the late war. These special circumstances being removed with the advent of the Baltic fleet in Far Eastern waters in April, 1905, the shipping tended to return to its normal state, and we are left with a net increase over the figures for 1903 (neglecting those for 1904) of 32 ships and 893,890 tons.

In British river steamers there is an increase shown of 1,616 ships, which is due to the additional small steamers put on to the West River run, and to two very small craft plying between here and Mirs Bay, which have been treated as river steamers, though they do not strictly satisfy the definition. The decrease in tonnage, of 143,338 tons, is accounted for by the fact that three moderate sized vessels were taken off the run early in the year, and much smaller craft substituted.

For foreign ocean vessels an increase of 149 ships of 469,938 tons is shown. Here, again, reference to my 1904 report is necessary in order properly to appreciate the significance of the figures. During that year, on account of the war, there was the enormous decrease of 1,149 ships of 1,910,589 tons, of which Japanese shipping accounted for 834 ships of 1,809,000 tons. The causes militating against the employment of Japanese ships were not removed until late in 1905, indeed, they are not completely removed even now, so that the increase now shown is but the partial restoration to normal conditions, and should really be read as a net decrease, on the figures for 1903, of 1,000 ships of 1,440,951 tons.

In foreign river steamers the decrease of 61 ships is due to the fact that two small Chinese vessels have become British, and the increase in tonnage to the more frequent running of two moderate sized French steamers.

The remaining increases and decreases do not present any points of importance, with the exception of the large increase in steam launches plying within the waters of the Colony, which affords good evidence of the enhanced internal traffic in the Colony.

The actual number of ships of European construction (exclusive of river steamers and steam launches) entering during the year was 889, being 506 British and 383 foreign.

These 889 ships entered 3,926 times, and gave a total tonnage of 6,756,600 tons. Thus, compared with 1904, four more ships entered 61 less times, and gave a collective tonnage increased by 212,890 tons.

The following tables show the nationality of the steamers and sailing vessels that visited the port:—

STEAMERS.

Flag.	Ships.		No. of times entered.		Total tonnage.	
	1904.	1905.	1904.	1905.	1904.	1905.
British	498	490	2,151	1,983	3,843,355	3,806,792
Austrian	13	10	32	26	102,349	88,326
Belgian	1	1	1	1	2,047	1,794
Chinese	15	14	180	165	241,085	214,720
Danish	4	7	13	18	26,817	24,206
Dutch	9	10	44	35	84,379	77,205
French	36	39	238	207	234,977	288,911
German	147	163	861	887	1,268,835	1,394,255
Italian	6	8	20	56	38,212	51,492
Japanese	30	10	51	29	114,951	34,573
Norwegian	60	85	253	346	276,211	381,479
Portuguese	4	5	53	69	12,167	11,800
Russian	5	1	5	1	14,578	2,903
Spanish	2	—	2	—	6,017	—
Swedish	4	2	12	19	8,582	20,210
United States	24	22	64	62	232,857	314,101
No flag	1	—	1	—	2,500	—
Total	859	867	3,981	3,904	6,509,919	6,712,767

SAILING VESSELS.

Flag.	Ships.		No. of times entered.		Total tonnage.	
	1904.	1905.	1904.	1905.	1904.	1905
British	11	16	11	16	19,447	32,258
Dutch	1	—	1	—	84	—
French	2	—	2	—	3,444	—
German	1	1	1	1	47	2,193
Italian	2	—	2	—	994	—
Norwegian	2	1	2	1	3,651	1,199
Sarawak	1	—	2	—	1,338	—
United States	4	4	4	4	2,867	8,183
No Flag	1	—	1	—	919	—
Total	25	22	26	22	32,791	43,833

During the year 1905, 16,303 vessels of European construction, of 19,706,728 tons (net register), reported having carried 10,277,939 tons of cargo, as follows:—

—	Tons.
Import cargo	3,869,751
Export cargo	2,343,701
Transit cargo	3,415,418
Bunker coal shipped	649,069
Total	10,277,939

In imports there is a decrease reported of 280,888 tons.

In exports there is a decrease reported of 262,160 tons.

In transit cargo there is an increase reported of 263,492 tons.

In bunker coal there is a decrease of 15,349 tons.

The total reported import trade of the port for 1905 amounted to 25,764 vessels of 11,328,015 tons, carrying 7,830,424 tons of cargo, of which 4,415,006 tons were discharged at Hong Kong. This does not include the number, tonnage, or cargo of vessels in local trade.

Similarly, the export trade from the port was represented by 25,814 vessels of 11,325,601 tons, carrying 3,011,305 tons of cargo, and shipping 651,523 tons of bunker coal.

64,341 emigrants left Hong Kong for various places during the year; of these, 48,289 were carried by British ships and 16,052 by foreign ships; 140,483 were reported as having been brought to Hong Kong from places to which they had emigrated, and of these, 113,796 were brought in British ships and 25,586 by foreign ships.

The total revenue collected by the Harbour Department during the year showed a decrease of $366.19 on that of the previous year, and was as follows:—

—	Amount.
	$ c.
1. Light dues	74,233.45
2. Licences and internal revenue	62,668.45
3. Fees of Court and office	163,665.86
Total ... ...$	300,567.76

(B.) INDUSTRIES.

During 1905 supplies of all sugars were greater than during 1904, and in sympathy with other markets local prices continued to decline throughout the year. There was however a good demand for refined sugar in China, resulting in a profitable business for the two local refineries, but demand from other markets fell off owing to their being overstocked with European sugars.

As was anticipated at the end of 1904 the cotton spinning industry worked under very satisfactory conditions during the whole of 1905, and the comparatively low price of cotton, combined with an active demand for yarn, allowed of good profits being realised all through the twelve months.

The increased demand for cement from the "Green Island" Company's factory at Hok Un necessitated the raising of further capital and the provision of new plant to increase the output from 150 to 240 tons a day.

The rope factory at Kennedy Town did good business, but was not working to its full output of 20,000 lb. a day throughout the year.

There was some falling off in the repairing and docking of ships at Hong Kong, probably due to increased competition from other places.

Forty-three steam launches and other vessels with an aggregate tonnage of 3,695 were built during the year.

A new industry under European direction—that of silvering mirrors—was started at Causeway Bay.

(C.) FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and many others in the New Territory are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(D.) FORESTRY, BOTANICAL SCIENCE, AND AGRICULTURE.

116,780 trees were planted in Hong Kong during the year and 50,052 in the New Territory. Further experiments were initiated with a view to utilising the more barren portions of the Colony, notably with the tea-oil tree (*Camellia oliefera*) and the wood-oil tree (*Aleurites cordata*). Cotton was tried in various representative situations, but with very meagre results.

Control of the plantations of pine licensed to Chinese in 1904 was maintained; the few breaches of the rules that occurred were dealt with by withdrawal of the licence. On the whole the licensing scheme seems to have suited the Chinese.

(E.) LAND GRANTS AND GENERAL VALUE OF LAND.

The amount received from sales of Crown Land was $392,259.76, being some $94,000 less than the recipts for the previous year. This falling off may be attributed to the general depression of business throughout the year and the consequent tightness of the money market.

In the early part of the year the intricate questions connected with military lands and reserves in the Colony, which since 1883 had formed the subject of continual discussion between the Military and Civil Authorities, were comprehensively dealt with by Major J. F. Lewis, late R.E., deputed for that purpose by the War Department. An equitable settlement was proposed by that Officer, based on principles of which the adoption should minimise the chance of similar difficulties arising in the future. This settlement, accepted by the Governor and the General Officer Commanding, was approved by the Colonial Office, War Office, and Treasury.

Building land in the urban portion of the Colony and in the Peak District is limited in extent with the natural consequence that house-rents, especially on the higher levels, have advanced to an extent probably unknown in other British Colonies.

III.—LEGISLATION.

Twelve Ordinances were passed during 1905, the most important measure being the New Territories Land Ordinance, No. 3 of 1905, which together with an amending Ordinance, No. 9 of 1905, is designed to facilitate the transfer of land in the New Territories and to provide a simple and inexpensive procedure for settling land disputes therein.

An amendment of the Vagrancy Ordinance, No. 2 of 1905, increases the liability of shipowners and masters who bring undesirable persons into the Colony, and enables rules to be made for the more rigorous treatment of vagrants in the House of Detention.

Provision is made under the Merchant Shipping Amendment Ordinance, No. 5 of 1905, for the carrying of suitable lights by junks, and the same Ordinance extends greater facilities in respect of the navigation of steamships of small size plying between Hong Kong and the neighbouring ports of the Canton Province by lightening the somewhat onerous conditions hitherto imposed.

IV.—EDUCATION.

The number of Government and Grant Schools, including Queen's College, is 83, of which 25 are Upper Grade Schools with a staff competent to give instruction in all the subjects of Standard VII., and 58 are Lower Grade Schools, under purely native management. Broadly speaking the Upper Grade Schools are taught in English, and the Lower Grade Schools are taught in vernacular.

The total number of pupils in average attendance at Government and Grant Schools was 5,353 against 4,970 in 1904. Of these, 1,797 were in Government and 3,556 in Grant Schools; 3,207 pupils received instruction in English, and 2,146 in the vernacular. The proportion of boys to girls was 3,401 to 1,952.

The Victoria School for children of British parentage was opened at Caroline Hill in 1904. The average attendance at this and the corresponding British School at Kowloon, taken together, was 93.

Lower Grade Anglo-Chinese Schools were opened at Tanglungchau and Aberdeen.

Hygiene has been made a compulsory subject, and has been taught with satisfactory results in all Government and Grant Schools. 1,524 children received instruction in it during the year.

The revenue derived from school fees was $41,170.50. The expenditure was $158,677.58, being 2.28 per cent. of the total expenditure of the Colony.

V.—PUBLIC WORKS.

The principal public works in progress during the year were the Tytam Tuk Waterworks (1st Section) and the Kowloon Waterworks, both of which have been described in previous reports. The former made good progress, and the latter fair; a contract for two miles of the catchwaters in connection with it was let and was well advanced at the end of the year.

Of the larger buildings, the new Law Courts, Harbour Office, and Western Market were all under construction, and the foundations of the new Government Offices were almost completed; the decision to erect a clock tower necessitating extra foundations prevented this contract being entirely closed. The new Light and Tower at Green Island, the Disinfecting Station in Kowloon, Mongkoktsui Market, and Yaumati

School were finished, and the Gunpowder Depôt, extension to Staff Quarters Government Civil Hospital, Taipo Quarters, and Bacteriological Institute approached completion. The works of reconstruction of gullies and extension of nullah training were continued, $10,000 being spent on the former and over $20,000 on the latter—the Albany Nullah being one of the watercourses dealt with.

The Taikoktsui Reclamation was finished. $150,000 was spent on further resumption of insanitary property in the vicinity of Mee Lun Lane. The system of 100-foot roads in Kowloon was extended; the section of Robinson Road, running north and south between the sea and the Yaumati Theatre, was finished, and also the branch to the westward (Sixth Street), and some progress was made with a further extension of this system near the Disinfecting Station, without expense to the Colony, as the spoil from this road excavation was used for private reclamation in front of the Pumping Station.

The excavation of the sites for the new Albany Filter Beds was completed, and the new Watchmen's House built.

The work on the Rider-Main system was continued, and Districts Nos. 1, 2, 3, and 4 were completed and brought under control.

The total amount expended on Public Works Extraordinary, exclusive of the Praya East Reclamation and Rider-Mains, was $1,775,138.58, and on works annually recurrent, $383,798.06.

VI.—GOVERNMENT INSTITUTIONS.

(A.) Hospitals.

Government Hospitals consist of the Civil Hospital to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, the Kennedy Town Infectious Diseases Hospital, and the hulk "*Hygeia*," used mainly for the treatment of small-pox.

The Civil Hospital contains 150 beds in 19 wards. 2,704 in-patients and 14,976 out-patients were treated during the year 1905; 267 cases of malarial fever were admitted as against 223 in 1904 and 346 in 1903. The Maternity Hospital contains six beds for Europeans and four for Asiatics. Sixty-four confinements occurred during the year with two deaths. The Victoria Hospital, opened in November, 1903, by Sir Henry Blake, is situated at the Peak, and contains 41 beds. During 1905, 212 patients were under treatment. Kennedy Town Hospital contains 26 beds. In 1905, 42 cases were treated, of which 33 were plague. On the "*Hygeia*" 50 cases were treated, of which 48 were small-pox.

(B.) LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separate, the European portion containing eight beds in separate wards, and the Chinese portion sixteen beds. 178 patients of all races were treated during 1905, and there were eight deaths.

(C.) THE TUNG WAH HOSPITAL.

This Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $6,000 from the Government. Only Chinese are treated in this institution, which takes the place of a poorhouse and hospital for Chinese sick and destitute, and is administered by an annually-elected body of 15 Chinese directors. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. The Hospital is managed by a Committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mention the Pó Leung Kuk, the College of Medicine for Chinese, and the City Hall.

The Pó Leung Kuk is an institution, incorporated in 1893, presided over by the Registrar-General and an annually-elected Committee of 12 Chinese gentlemen, for the protection of women and children. The inmates of the Home receive daily instruction in elementary subjects, and are allowed to earn pocket-money by needle-work. During 1905 a total of 528 persons were admitted. Of these, 143 were released after enquiry, 19 were released under bond, 99 were placed in charge of their husbands, parents or relations, 3 were placed in charge of the Japanese Consul, 84 were sent to charitable institutions in China, 52 were sent to school, convent or refuge, 15 were adopted, 60 were married, and 3 died.

The Hong Kong College of Medicine for Chinese was founded in 1897, for the purpose of teaching surgery, medicine, and obstetrics to Chinese. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. Ninety-five students have been enrolled up to the end of 1905, and of these 24 have become qualified licentiates, and have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science among the Chinese; and in addition to the employment of certain of the licentiates in the public service, the senior students have frequently been made use of for various purposes during epidemics. A Government grant-in-aid of $2,500 is made to the College, to be used as honoraria to the lecturers.

The City Hall receives an annual grant of $1,200 from Government. It contains a reference library and museum.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 11,517, being a decrease of 295, or 2·49 per cent., over those reported in 1904. In the division of these cases into serious and minor offences there is a decrease in the former, as compared with the previous year, from 3,532 to 2,984, that is of 15·51 per cent., occurring in every nature of crime with the exception of assault with intent to rob.

The number of serious offences reported was 772 below the average of the quinquennial period commencing with the year 1901.

The number of minor offences reported shows an increase of 253 over the number for 1904, mainly in offences against the Spirits and Prepared Opium Ordinances.

The number of minor offences reported was 1,454 over the average of the quinquennial period.

The total number of persons committed to Victoria Gaol was 6,323, as compared with 7,464 in 1904, but of these only 2,816 were committed for criminal offences, against 4,027 in 1904. Of committals for non-criminal offences there were 121 more under the Prepared Opium Ordinance and 132 less for infringement of Sanitary By-laws.

The daily average of prisoners confined in the gaol was 697, the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was ·184, as compared with ·214, the average percentage for the last ten years. The prison discipline was satisfactory, the average of punishments per prisoner being 1·47, as compared with 1·1 in 1904 and 2·34 in 1903. The continued overcrowding of the gaol emphasises the necessity for the proposed new convict prison, and the question of a fresh site has for some time past been under consideration.

The remunerative labour carried on in the gaol consists of printing, book-binding, washing, carpentry, boot-making, net-making, painting and whitewashing, mat-making, tailoring, oakum-picking, &c., the value of the work done being $45,762.40.

The total strength of the police force for 1905 was, Europeans 133, Indians 382, Chinese 503, making a total of 1,018, as compared with 993 in 1904, exclusive in each case of the four superior officers and a staff of clerks and coolies. Of this force an assistant superintendent, who also acted as magistrate, and 19 Europeans, 85 Indians, and 44 Chinese were stationed in the New Territory during the greater part of the year.

The force of district watchmen, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year.

IX.—VITAL STATISTICS.

(A.) POPULATION.

The population of the Colony according to the census taken in 1897 was 248,880, and according to the census of 1901 it was 283,975, exclusive of New Kowloon and the Army and Navy Establishments. The estimated population at the middle of the year under review was 377,850, as follows:—

—	Population.	
Non-Chinese Civil Community		10,452
Chinese Population—		
Hong Kong	211,246	
Old Kowloon	73,473	
New Kowloon (approximate)...	21,000	
Floating population	54,154	
		359,873
Army (average strength)	4,274	
Navy (average strength)...	3,251	
		7,525
Total		377,850

New Kowloon was brought under the jurisdiction of the Sanitary Board in 1904, and its estimated population has accordingly been included. The population of the remainder of the New Territories, according to the census of 1901, was 85,011, making, when added to the present estimate, a grand total of 462,861.

At the census taken in 1901 the actual number of members of the Navy present in the Colony was 5,597, and the estimated average number resident in Hong Kong during 1905 is put at 3,251.

(B.) PUBLIC HEALTH AND SANITATION.

During the year under review considerable progress has been made in providing existing domestic buildings with increased window area as required under the Public Health and Buildings Ordinance of 1903, 2,512 houses having been thus dealt with.

New buildings (domestic) to the number of 260 were erected during the year, and in these the effect of the present Ordinance is seen in the increased amount of open space, about the houses, which the law requires. Scavenging lanes which have to be provided in the rear of new houses also increase the open space about them and tend to reduce surface crowding.

Under the Insanitary Properties Resumption scheme an area of 18,092 square feet has been resumed during the year in one of the most densely populated areas of the City.

During the year there were 287 deaths from plague, being 208 less than in 1904, and, except for the years 1895 and 1897, the lowest number of deaths from this disease since its appearance in 1894.

There were 1,585 deaths from respiratory diseases amongst the Chinese, or 25·1 per cent. of all Chinese deaths.

Beri-beri caused 678 deaths—a high figure, but slightly lower (57 less) than that for 1904.

The deaths from malaria were 287, as against 301 in 1904. The figure for the annual deaths from this disease has fallen from 574 in 1901 to 287 in the year under review.

(C.) CLIMATE.

The average monthly temperature throughout the year was 71·6° F., as compared with 71·6° F. in 1904 and 72·0° F. during the ten preceding years. The maximum monthly temperature was attained in July, when it reached 87·8° F., and the minimum monthly temperature was recorded in February, when it was 51·6° F. The highest recorded temperature during the year was 91·3° F. on the 18th July, and the lowest 42·8° on the 10th February.

The total rainfall for the year was 70·95 inches, as compared with an average of 74·94 inches during the past ten years. The wettest month was June, with 19·70 inches, the driest, November, with only 0·28 inch. The greatest amount of rain which fell on any one day was 7·955 inches on the 1st June, while no rain fell on 220 days of the year. The relative humidity of the atmosphere throughout the year was 80 per cent., as compared with an average of 77 per cent. during the past ten years. The average daily amount of sunshine was 5·1 hours, being 45 per cent. of the possible duration.

X.—POSTAL SERVICE.

The total receipts paid into the Treasury in 1905 by the Postal Department amounted to $574,840.87, from which sum $160,002.68 was transferred to other heads of General Revenue under which fees and duties are paid in stamps, which are now sold exclusively by the Post Office, leaving the sum of $414,838.19 as revenue of the Postal Service. The total expenditure amounted to $585,449.25, which, after deducting $414,838.19 as revenue, leaves a deficit of $170,611.06, due to adjustment of the amount payable by this Colony towards the cost of the P. & O. Mail Service for the period from 1st February, 1898, to 31st January, 1905.

This Colony's share of the contribution towards the P. & O. Mail Subsidy under the new contract has been fixed at £12,529 per annum, as from the 1st February, 1905.

The arrangement concluded with Germany as regards the exchange of postal parcels between this Colony and the German South Sea Islands came into force on 1st June. Direct money orders were exchanged with Transvaal and the Federated Malay States during the year.

Postage on letters to Australia was reduced from 10 cents to 4 cents per ½ oz. from 15th July.

The postal arrangement with China came into force during the year.

XI.—MILITARY FORCES AND EXPENDITURE.

(A.) REGULAR FORCES.

The following return shows the number and composition of the forces employed in the Colony during 1905:—

Corps.	Europeans.		Indians.		Chinese.	
	Officers.	W. O.'s, N. C. O.'s & Men.	Native Officers.	W. O.'s, N. C. O.'s, & Men.	N. C. O.'s & Men.	Totals.
General Staff	4	—	—	—	—	4
Garrison Staff	—	2	—	—	—	2
Royal Garrison Artillery	16	615	—	—	—	631
Hong Kong-Singapore Bn. R. G. A.	9	9	7	379	—	404
Royal Engineers	11	194	—	—	—	205
Chinese S. M. M. Co., R. E. ...	—	—	—	—	69	69
119th Infantry	7	—	11	646	—	664
129th (D.C.O.) Baluchis	8	—	11	535	—	554
Army Service Corps	4	27	—	—	—	31
Royal Army Medical Corps ...	9	43	—	—	—	52
A. O. Department and Corps ...	7	31	—	—	—	38
A. P. Department and Corps ...	3	8	—	—	—	11
110th Mahratta L. I.	4	—	5	282	—	291
93rd Burma Infantry	4	—	5	276	—	285
114th Mahrattas	1	—	2	102	—	105
2nd Royal West Kent Regiment ...	11	441	—	—	—	452
Totals	98	1,370	41	2,220	69	3,798

(B.) COLONIAL CONTRIBUTION.

The Colony contributed $1,362,650.27 (being the statutory contribution of 20 per cent. of the estimated revenue including arrears on account of 1904) towards the cost of the maintenance of the regular forces in the Colony and barrack service.

(C.) VOLUNTEER CORPS.

The total establishment of the Corps is 431 of all ranks. The strength on the 31st December, 1905, was 276, made up as follows:—Staff, 7; two Garrison Artillery Companies, 205; one Engineer Company, 35; Troop, 29.

The members of the Corps are now all armed with the new M.L.E. short rifle and the latest pattern equipment.

The period for the annual camp of instruction was extended from 10 days to 16; it was held in October, 1905, and was very well attended.

The Hong Kong Volunteer Reserve Association numbered 213 members at the close of the year, an increase of 113 members, as compared with 1904.

Members of this Association, who must be over 35 years of age, are required to make themselves proficient in rifle shooting, and undertake to enrol themselves under the Volunteer Ordinance in the event of hostilities.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $58,311.12.

XII.—GENERAL OBSERVATIONS.

The war between Russia and Japan continued during the first half of the year to affect disadvantageously the trade of the Colony and to be productive of incidents involving important questions of law. The position of one of the belligerent fleets from the middle of April to the middle of May within three days' steam of Hong Kong necessitated stringent measures being taken to prevent any use of the port not in accordance with British neutrality laws, and in several instances the severe penalties involved by the despatch of any ship with reasonable cause to believe that the same would be employed on the naval service of a foreign State at war with a friendly State had to be brought to the special notice of shipping agents. The departure northwards of that fleet relieved anxiety in this matter, but was followed by the capture, on the grounds of carrying contraband of war, of two British ships—the *Oldhamia* in the Bashee Channel on May 18th, and the *St. Kilda* a few hours out of Hong Kong on June 4th. The latter capture was the last incident of the naval operations which directly affected Hong Kong, though it was not till nearly three months later that the armistice protocol was signed, on September 1st. The opportunity was taken of the first visit to the port after the conclusion of peace of a Russian war vessel—the *Almaz*—to embark on her on November 30th for repatriation the two officers and 53 men of the former Russian torpedo boat destroyer *Burni*, who had arrived in the Colony from Wei-Hai-Wei on the 22nd August, 1904. Two officers and eight men, who had formed part of the same crew, had previously been sent to Europe on grounds of ill-health.

The lessening of Imperial expenditure in the Colony resulting from the withdrawal of the all the battleships from the British fleet on the China Station and a reduction in the number of cruisers has necessarily been disadvantageous to its trade.

This was more seriously affected by the organised attempt of the Chinese in the last half of the year to boycott American goods as a protest against the administration of the United States law, excluding Chinese labourers from that country. The attempt to extend the organisation of the movement to this Colony was not supported by the principal Chinese merchants here, but its strength in Canton adversely affected the business in American goods which passes through Hong Kong, and further tended to the development of anti-foreign feeling and consequent unrest in that part of China with which Hong Kong does most trade. Advantage was taken of the visit in September of Mr. William H. Taft, United States Secretary for War, to give that gentleman an opportunity of hearing the views of some of the leading Chinese of the Colony as to the Chinese objections to the provisions and administration of the exclusion law.

Uncertainty of exchange is always a factor adverse to trade, and the year under review was not exceptional in this respect, the range of variation being slightly greater than in 1904. The year started with the dollar at 1*s*. 11$\frac{9}{16}$*d*. It fell to 1*s*. 10$\frac{1}{8}$*d*. at the end of March, rose irregularly to 2*s*. 1$\frac{3}{16}$*d*. at the end of November, and stood at 2*s*. 0$\frac{1}{16}$*d*. in the last days of December. The maximum of the year was the highest value that had been attained since early in 1897.

Probably the most important factor in making the year a bad one for trade was the loss of confidence in Hong Kong Chinese dealers, owing to the speculation of 1904, which had the natural result of making it difficult for these dealers to get money with which to carry on their business in 1905. As regards imports, trade was particularly slack in fancy cotton and woollen goods and metals, while but a limited business was done in Manchester piece-goods. Yarns did fairly well, especially for importers. Australian flour entered into serious competition with American, of which the importation fell off largely; American kerosine also suffered from the boycott. As regards exports, trade in silk was adversely affected by various causes, and in other articles, especially ginger and soy, compared unfavourably with that of preceding years.

In spite of indifferent trade, several local stocks stood higher at the end than at the commencement of the year. Hong Kong and Shanghai Banking Corporation shares advanced $150 against an advance of $50 in 1904. Local shipping companies retrograded. Marine insurance shares generally improved. Of the local land and building companies the shares of one operating at Kowloon slightly appreciated, the others declined; and the decision of holders of marine lots on the East Praya not to undertake for the present the reclamation of the sea bed in front of their properties was probably a wise one. The dock companies did not do well, and the increase of dock accommodation in the Far East promises severer competition in the future. As regards other industrial undertakings, though there was no heavy fall, only in a few unimportant instances was there any advance on the value of shares at the end of the preceding year.

The maintenance of existing and the creation of new industrial undertakings are becoming a matter of very great importance to the Colony, threatened as it is by serious competition from other places in some if its principal sources of wealth in the past. A satisfactory feature of the year was, therefore, the initiation of arrangements to start one such new enterprise in the New Territories; a flour mill on a large scale is in course of construction at a favourable site in Junk Bay, and is to be combined with an extensive farm for the rearing of pigs on the refuse material. Serious attempts to prospect for metals in those Territories were also put in hand during the year. If these prove the existence of minerals in quantities that will pay for their extraction, the future development of the Territories will be greatly assisted.

Various projects that have been mooted for the construction of railways to ports on the mainland of South China have maintained and enhanced the desire of Hong Kong to have as soon as possible a trunk line through that country with a terminus in the Colony.

On the 6th October, with the approval of His Majesty's Government and under sanction of an Imperial decree, the Government of Hong Kong lent and the Viceroy of the Hu Kuang Provinces borrowed a sum of £1,100,000, repayable in ten annual instalments. The security for the loan was the opium revenue of Hupei, Hunan, and Kwangtung, and the interest on it 4½ per cent. payable half-yearly. The money was advanced to Hong Kong by the Crown Agents at Bank rate—then 4 per cent.—and on being paid over to the Chinese Ambassador at Washington, was at once utilised to redeem the Canton-Hankow railway concession from the various persons who had acquired interests in it from the original concessionaires. With the object of raising a loan to repay the Crown Agents' advance, and at the same time to provide funds for the British section of the Canton-Kowloon railway, and to meet other railway needs that might arise, an Ordinance (No. 11 of 1905) was passed on the 16th October to empower the Governor to raise, as occasion required, loans not exceeding two million pounds in all. No loan was however raised before the end of the year.

Throughout the year attempts were being made in conjunction with His Majesty's Minister at Peking to get the Chinese authorities, and particularly the Viceroy of the Liang Kuang Provinces, to negotiate arrangements for the construction and subsequent working of the Chinese section of the proposed Canton-Kowloon railway on the basis of Loan and Joint

Working Agreements which had been drafted by the British and Chinese Corporation in consultation with the Colonial Office in London. These attempts had not succeeded at the close of the year.

In the meantime, however, the Hong Kong Government, with the approval of the Legislative Council, expressed at a meeting on the 21st September, decided that the British section of the line should be put in hand without waiting for the conclusion of the negotiations with regard to the Chinese section. By that date a preliminary survey and estimate of alternative routes had been completed by Mr. J. C. Bruce, an engineer, who had been sent from England for the purpose and had arrived in the Colony on the 16th June, and a route 21½ miles in length, which passed through the Kowloon hills by a low-level tunnel 2,460 yards long, along the west shore of Tide Cove, and south shore of Tolo Harbour, and by the villages of Tai Po, Ha Wai, Fan Ling, and Sheung Shui to the Sham Chün River, near the Lo Fu ferry, had been selected as the most economical, both as regards construction and working expenses, and as best answering the requirements of a section of a trunk line through China.

Pending the completion of the final survey, it was decided to commence throwing up the bank as soon as the centre line was located along the part of the line, 7½ miles in length, which traverses the low-lying ground north of Tai Po. The negotiations and clerical work involved in the resumption of the large number of small padi fields required before construction could be started, was expeditiously carried out by Mr. C. Clementi, the Assistant Land Officer, and the first sod was turned on December 9th. The decision to use labour supplied by the elders of the surrounding villages for the earthwork was found, as had been anticipated, to obviate local difficulties, arising from removal of graves, "feng shui," prejudices, &c.

The introduction of a new rent roll to take the place of the rough one on which rents had previously been collected in the New Territories, and at the same time of a new scale of rents, produced several petitions from the village elders and some hesitancy to pay rents due. Regulations for the collection of Crown rents in arrear in the New Territories made in September and re-enacted with slight modifications at the end of November, enabled these difficulties to be got over, and the payment of considerable sums for work on the railway bank, doubtless, assisted in getting in arrears shortly after the end of the year. Fears entertained at one time that the second crop of rice would suffer from want of rain were fortunately not realised, and the New Territories remained prosperous and on the whole quiet throughout the year.

In conclusion I would refer to a few changes in personnel that occurred in the Colony in 1905. The Right Reverend

Bishop Domenico Pozzoni succeeded the late lamented Bishop Piazzoli as head of the Roman Catholic Church, and was consecrated on the 1st October. Commodore H. P. Williams took over the charge of the naval dockyard from Rear-Admiral C. G. Dicken on 29th September, 1905. Sir Paul Chater, Kt., C.M.G., resigned his appointment on the Legislative Council after serving on it for 18 years, and has been succeeded by Mr. H. E. Pollock, K.C., as representative of the ratepayers. In the Colonial Service Mr. (now Sir) Francis Piggott, formerly Procureur-General in Mauritius, arrived on the 23rd May to succeed Sir William Meigh Goodman as Chief Justice; and since 2nd August Mr. T. Sercombe Smith has ably acted in the appointment of Colonial Secretary, temporarily vacated by Mr. F. H. May, C.M.G., who proceeded on leave on that date.

I have, &c.,

M. NATHAN,

Governor, &c.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

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460	Sierra Leone	„
461	British Solomon Islands	1903–1905
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465	Gold Coast	„
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27	Miscellaneous Colonies... ...	Medical Reports.
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29	Ceylon	Geological Survey.
30	Pitcairn Island	Report by Mr. R. T. Simon.
31	Northern Nigeria	Cotton, &c.
32	Do. do.	Mineral Survey.
33	Southern Nigeria	Do.
34	Montserrat	Agricultural Industry.
35	Antigua and St. Kitts-Nevis ...	Sugar.
36	West Indies	Work of Imperial Department of Agriculture.

COLONIAL REPORTS—ANNUAL.

No. 521.

HONG KONG.

REPORT FOR 1906.

(For Report for 1905, *see* No. 485.)

Presented to both Houses of Parliament by Command of His Majesty.
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No. 521.

HONG KONG.

(For Report for 1905, *see* No. 485.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
5th April, 1907.

MY LORD,

I HAVE the honour to submit for your Lordship's information the following general report on the annual Blue Book for the year 1906.

I.—FINANCES.

The revenue for the year, exclusive of land sales and an amount transferred from the Praya Reclamation Fund amounted to $6,622,070.25, or $95,926.16 more than the previous year. Land sales amounted to $315,733.21, or $76,526.55 less than in 1905. The amount transferred from the Praya Reclamation Fund was $97,208.32. The total revenue from all sources was therefore $7,035,011.78, or $116,607.93 greater than in any previous year, though $312,383.22 less than the estimate. All the main sources of revenue show an excess over 1905 with the exception of "Interest," "Miscellaneous Receipts," "Land Sales," and "Water Account."

"Light Dues," "Licences," "Post Office Receipts," "Rent of Government Property," and "Interest" brought in together $111,451.48 more than was estimated. The receipts under the remaining heads of revenue were altogether $521,043.02 less than were anticipated when the estimates were drawn up.

The expenditure for the year was $5,328,820.92 exclusive of "Public Works Extraordinary"; inclusive of that item it was $6,832,610.68, or $118,664.58 less than the total expenditure of 1905 and $224,344.32 less than the estimate for 1906.

Deducting from the actual receipts for 1906 the total actual expenditure, there was a surplus of $202,401.10 on the actual working of the year.

(A.) General Revenue and Expenditure.

The following is a brief abstract of revenue and expenditure for the years 1905 and 1906:—

Revenue.

—	1905.	1906.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Light Dues	74,233.45	77,722.04	3,488.59	—
Licences and internal revenue not otherwise specified.	4,725,906.25	4,765,227.78	39,321.53	—
Fees of Court, &c.	417,417.37	470,151.53	52,734.16	—
Post Office	414,838.19	420,454.04	5,615.85	—
Rent of Government property ...	672,161.82	826,699.20	154,537.38	—
Interest	10,073.12	8,068.42	—	2,004.70
Miscellaneous	121,491.65	53,747.24	—	67,744.41
Water Account	90,022.24	—	—	90,022.24
Land sales	392,259.76	315,733.21	—	76,526.55
Amount transferred from Praya Reclamation Fund.	—	97,208.32	397,208.32	—
Total ... $	6,918,403.85	7,035,011.78	352,905.83	236,297.90
	Deduct decrease ...		236,297.90	
	Nett increase ... $		116,607.93	

Expenditure.

—	1905.	1906.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Non-effective charges	365,108.59	333,823.31	—	31,285.28
General administration	1,226,584.57	1,404,287.42	177,702.85	—
Law and order	846,275.69	832,919.87	—	13,355.82
Public health...	653,420.65	659,413.66	5,993.01	—
Public instruction	162,277.58	162,973.32	695.74	—
Public works	2,276,646.79	2,086,655.96	—	189,990.83
Defence	1,420,961.39	1,352,537.14	—	68,424.25
Total ... $	6,951,275.26	6,832,610.68	184,391.60	308,056.18
		Deduct increase ...		184,391.60
		Nett decrease ... $		118,664.58

The following table shows the total revenue and expenditure for the five years 1902-6:—

—	1902.	1903.	1904.	1905.	1906.
	$ c.	$ c.	$ c.	$ c.	$ c.
Revenue	4,901,073.70	5,238,857.88	6,809,047.99	6,918,403.85	7,035,011.78
Expenditure ...	5,909,548.51	5,396,669.48	6,376,235.30	6,951,275.26	6,832,610.68
Surplus	—	—	432,812.69	—	202,401.10
Deficit	1,008,474.81	157,811.60	—	32,871.41	—

(B.) ASSETS AND LIABILITIES.

At the end of the year 1906, the assets of the Colony amounted to $1,665,328.59, or including arrears of revenue $1,808,589.24. The total liabilities were $1,013,092.48, so that the surplus of assets over liabilities amounted to $795,496.76.

(C.) PUBLIC DEBT.

There is an ordinary public debt of £341,799 15*s.* 1*d.* outstanding. The original debt was incurred in connection with the Praya Reclamation, the Central Market, and water, drainage, and sewerage works. Interest at 3½ per cent. is payable on the loan, which is being paid off by a Sinking Fund, now amounting to £42,298 0*s.* 10*d.*

Towards the close of 1905 the Government lent to the Viceroy of Wuchang a sum of £1,100,000 bearing interest at 4½ per cent. for purposes connected with the Canton-Hankow Railway. To meet this expenditure a loan was raised in London in February, 1906, at an average price of £99 1*s.* per cent., bearing interest at the rate of 3½ per cent., the total cost, including expenses of issue, being £1,143,933 1*s.* 4*d.* A sum of £110,000 has been repaid by the Viceroy, and has been credited to a fund provided to defray the cost of the Kowloon-Canton Railway, now in course of construction.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(A.) TRADE AND SHIPPING.

The total tonnage entering and clearing at ports of the Colony during the year 1906 amounted to 32,747,268 tons, being a decrease, compared with 1905, of 1,437,823 tons. This decrease is more than accounted for by the falling off in local and foreign junk trade and in local launch and river steamer trade, due mainly to the total loss or temporary disablement of a large number of small-sized vessels in the typhoon of the 18th September.

A comparison between the years 1905 and 1906 is given in the following table:—

Comparative Shipping Return for the Years 1905 *and* 1906.

—	1905.		1906.		Increase.		Decrease.	
	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.	Ships.	Tonnage.
British ocean going	3,995	7,672,324	3,697	7,189,471	—	—	298	482,853
Foreign ocean going	3,845	5,820,785	4,287	7,093,495	442	1,272,710	—	—
British river steamers	7,488	5,554,022	6,464	4,842,501	—	—	1,042	711,521
Foreign river steamers	975	659,597	1,071	667,917	96	8,320	—	—
Steamships under 60 tons (foreign trade).	1,800	71,448	878	40,282	—	—	922	31,166
Junks in Foreign Trade	33,475	2,875,440	28,153	2,619,411	—	—	5,322	256,029
Total	51,578	22,653,616	44,550	22,453,077	538	1,281,030	7,566	1,481,569
Steam launches plying in the Colony	337,913	9,169,312	333,560	8,251,536	—	—	4,353	917,776
Junks in Local Trade	63,267*	2,362,163°	51,616†	2,042,655†	—	—	11,651	319,508
Grand Total	452,758	34,185,091	429,726	32,747,268	538	1,281,030	23,570	2,718,353
Nett					—	—	23,032	1,437,823

° Including 32,424 Conservancy and Dust Boats of 1,176,625 tons.

† Including 23,430 Conservancy and Dust Boats of 858,746 tons.

For ocean vessels under the British flag, this table shows a decrease of 298 ships of 482,853 tons, mainly due to the disappearance of vessels which had been attracted to these waters on account of the temporary withdrawal of Japanese ships during the Russo-Japanese War.

In British river steamers there is a decrease of 1,024 ships of 711,521 tons shown, which is due to the serious disasters that befell these vessels during the typhoon on the 18th September, and to the gutting by fire of the steamship "Hankow" in the following month. Pending the necessary repairs of the crippled vessels, coasting steamers of small size were utilised in some instances by the different companies.

For foreign ocean vessels an increase of 442 ships of 1,272,710 tons is shown, due almost wholly to Japanese vessels resuming their accustomed routes. 594 Japanese ships of 1,275,640 tons entered and cleared in 1906, compared with 58 ships of 69,146 tons in 1905, an increase of 536 ships of 1,206,494 tons. Further, Corean steamers for the first time since 1901 entered the port, and assisted in the increase by 30 ships of 61,596 tons. Vessels under the Norwegian flag show a decrease of 135 ships of 186,093 tons.

For foreign river steamers an increase of 96 ships, representing 8,320 tons, is shown, and can be ascribed to more trips being made by vessels under the French and Portuguese flags, supplemented by vessels under the German and Japanese flags which did not compete in this trade before.

The actual number of ships of European construction (exclusive of river steamers and steam-launches) entering during the year was 870, being 417 British and 453 foreign.

These 870 ships entered 4,012 times and gave a total tonnage of 7,151,328 tons. Compared with 1905, 19 less ships entered 86 more times, and gave an aggregate tonnage increased by 404,728 tons.

There were 214,556 arrivals of 16,394,508 tons, and 215,170 departures of 16,352,760 tons.

Of British ocean-going vessels, 3,595,879 tons entered, and 3,593,592 tons cleared.

Of foreign ocean-going vessels, 3,565,449 tons entered, and 3,528,046 tons cleared.

Of British river steamers, 2,424,961 tons entered, and 2,417,540 tons cleared.

Of foreign river steamers, 334,831 tons entered, and 333,086 tons cleared.

Of steamships under 60 tons trading to ports outside the waters of the Colony, 20,141 tons entered, and 20,141 tons cleared. These figures do not include private steam-launches.

Of junks in foreign trade, 1,307,972 tons entered, and 1,311,439 tons cleared.

Of steamships under 60 tons plying within the waters of the Colony, 4,125,768 tons entered, and 4,125,768 tons cleared. These figures are incomplete, as the "Star" Ferry Company's craft are not included, the Company stating that no record is kept of the number of trips made, or passengers carried, by their vessels.

Of junks in local trade, 1,019,507 tons entered, and 1,023,148 tons cleared.

Of the total tonnage that entered and cleared:—	Per cent.
British ocean-going vessels represented	21·9
Foreign ocean-going vessels represented	21·6
British river steamers represented...	14·7
Foreign river steamers represented	2·3
Steamships under 60 tons, foreign trade represented	0·1
Junks in foreign trade represented	8·0
Steamships under 60 tons, local trade represented	25·2
Junks in local trade represented	6·2
	100·0

The following tables show the nationality of the steamers and sailing vessels that visited the port:—

STEAMERS.

Flag.	Steamers.		No. of times entered.		Total tonnage.	
	1905.	1906.	1905.	1906.	1905.	1906.
British	490	413	1,983	1,846	3,806,792	3,580,508
Austrian	10	10	26	27	88,326	100,929
Belgian	1	—	1	—	1,794	—
Chinese	14	21	165	203	214,720	251,400
Corean	—	2	—	15	—	30,798
Danish	7	9	18	18	24,206	40,734
Dutch	10	18	35	64	77,205	130,864
French	39	41	207	218	288,911	324,668
German	163	143	887	846	1,394,255	1,343,420
Italian	8	2	56	12	51,492	33,012
Japanese	10	68	29	298	34,573	640,715
Norwegian	85	80	346	279	381,479	289,857
Portuguese	5	7	69	74	11,800	13,181
Russian	1	11	1	13	2,903	31,129
Swedish	2	4	19	27	20,210	24,800
United States	22	28	62	57	314,101	299,079
No flag	—	1	—	1	—	178
Total	867	858	3,904	3,998	6,712,767	7,135,272

SAILING VESSELS.

Flag.	Sailing Vessels.		No. of times entered.		Total tonnage.	
	1905.	1906.	1905.	1906.	1905.	1906.
British	16	4	16	6	32,258	15,371
German	1	1	1	1	2,193	1,880
Norwegian	1	—	1	—	1,199	—
United States	4	6	4	6	8,183	8,333
No Flag	—	1	—	1	—	472
Total ...	22	12	22	14	43,833	26,056

The following table, in which the figures represent tonnage, shows the principal articles of import in the year 1906 in vessels of European construction, compared with similar returns for 1905:—

Articles.	1905.	1906.	Increase.	Decrease.
Beans	2,113	3,360	1,247	—
Coal	1,083,987	971,365	—	112,622
Cotton yarn and cotton ...	32,949	41,871	8,922	—
Flour	54,508	79,635	25,127	—
Hemp	26,784	23,356	—	3,428
Kerosine (bulk)	43,411	43,932	521	—
„ (case)	74,506	28,937	—	45,569
Liquid fuel	850	5,850	5,000	—
Lead	800	—	—	800
Opium	2,983	3,286	303	—
Rattan	3,430	12,531	9,101	—
Rice	566,171	624,369	58,198	—
Sandalwood	3,386	2,561	—	825
Sulphur	—	100	100	—
Sugar	311,787	482,178	170,391	—
Tea	900	—	—	900
Timber	66,324	52,242	—	14,082
General	1,594,862	1,653,604	58,742	—
Total	3,869,751	4,029,177	337,652	178,226
Transit	3,415,418	2,878,360	—	537,058
Grand Total ...	7,285,169	6,907,537	337,652	715,284
	Nett		—	377,632

During the year 1906, 15,519 vessels of European construction of 19,793,354 tons (net register), reported having carried 9,759,648 tons of cargo, as follows:—

Import cargo	4,029,177 tons.
Export "	2,163,344 "
Transit "	2,878,360 "
Bunker Coal shipped	688,767 "
	9,759,648 tons.

In imports there is an increase reported of 159,426 tons.

In exports there is a decrease reported of 232,864 tons.

In transit cargo there is a decrease reported of 537,058 tons.

In bunker coal there is an increase of 24,349 tons.

The total reported inport trade of the port for 1906 amounted to 22,408 vessels of 11,249,233 tons, carrying 7,372,075 tons of cargo, of which 4,493,715 tons were discharged at Hong Kong. This does not include the number, tonnage, or cargo of vessels in local trade.

Similarly, the export trade from the port was represented by 22,142 vessels of 11,203,844 tons, carrying 2,778,441 tons of cargo, and shipping 690,689 tons of bunker coal.

Seventy-six thousand seven hundred and twenty-five (76,725) emigrants left Hong Kong for various places during the year. Of these 63,830 were carried by British ships, and 12,895 by foreign ships; 134,912 were reported as having been brought to Hong Kong from places to which they had emigrated, and of these, 105,780 were brought in British ships and 25,586 by foreign ships.

The total revenue collected by the Harbour Department during the year was $274,008.78, as against $302,787.76 (including $2,220 collected under the Sugar Convention Ordinance) collected in the previous year, showing a decrease of $28,778.98:—

1. Light Dues	$77,722.04
2. Licences and Internal Revenue ...	61,748.33
3. Fees of Court and Office	134,533.21
4. Miscellaneous Receipts	5.20
Total	$274,008.78

(B.) INDUSTRIES.

During 1906 the decline in the selling prices of sugar continued as the local refineries had to face keen competition in all markets. The amount of sugar refined was also much less than in 1905.

The demand for yarn was most unsatisfactory during the greater part of 1906, and the local cotton mill worked on an average only four days a week during the whole year, with very disappointing results.

There was a strong demand throughout the year for cement, and the local factory was kept fully employed. Two more rotary kilns are now being added at the "Green Island" Company's works at Hok Un, which will bring the output up to over 400 tons a day.

The profits of the rope factory at Kennedy Town were slightly higher than in 1905, but the business was restricted both by the high price of raw material at Manila and the rise in exchange.

The engineering and shipbuilding trade remained normal during the first half of 1906, but the disastrous typhoon of the 18th September, which wrought great havoc among the shipping in harbour at the time, kept the dockyards working at full pressure for the remainder of the year.

Four hundred and forty-nine (449) vessels of 1,063,454 tons, and 70 launches, lighters, &c., were docked and repaired, compared with 412 vessels of 975,174 tons and 43 lighters, launches, &c., in 1905. Of the vessels damaged, sunk, or stranded in the typhoon, all, with three exceptions, were repaired locally. Of the three exceptions, one was sold to Japanese owners in her damaged condition, one has been salved and is awaiting contracts for repair, while the third still remains stranded, all endeavours to get the vessel off having, so far, failed.

Forty-two steam launches and other vessels, with an aggregate tonnage of 7,634 were built during the year.

A new and important industry, the Hong Kong Milling Company, situated at Junk Bay, in the New Territories, was inaugurated at the end of the year, the premises including reclamation, erection of buildings and installation of machinery, having been completed in a period of less than twenty months. The mill, which is of the very latest design and is under European management, is capable of turning out 8,000 bags of flour a day. The demand for the flour is far in excess of this amount, and it is contemplated to double the capacity of the mill during 1907.

(C.) FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and many others in the New Territories are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(D.) FORESTRY, BOTANICAL SCIENCE, AND AGRICULTURE.

Forty-four thousand five hundred and seventy-seven (44,577) pine trees were planted in Hong Kong, and 15,116 were sown in sites. In the New Territories 82,960 were planted, and 73,021 sown in sites. One thousand five hundred camphor trees were planted in the New Territories. Three hundred and thirty-one shade trees were planted in the streets. The nucleus of a collection of Chinese economic products was formed. Progress was made with the purchase of Chinese pine plantations, which are suitably placed to augment Government planting. Investigations were continued with a view to utilizing waste ground in the New Territories, and attention was in particular directed to the possibilities of tea and candlenut trees for this purpose.

(E.) Land Grants and General Value of Land.

The amount received from sales of Crown land was $315,733.21, being some $76,500 less than the receipts for the previous year. This falling off may be attributed to the general depression of business throughout the year, and the consequent tightness of the money market. The principal items were for extensive pier-rights at Kowloon Point for Messrs. Butterfield & Swire, sites for workmen's dwellings in connection with Messrs. Butterfield & Swire's shipyard at Quarry Bay, and land for extensions of the Hong Kong and Whampoa Dock Company's premises at Hunghom.

III.—LEGISLATION.

Seventeen Ordinances were passed during 1906, two of which, the Married Women's Property Ordinance, No. 5 of 1906, and the Criminal Evidence Ordinance, No. 14 of 1906, are designed to bring the law of the Colony into line with English Statutes. The former accords to married women in Hong Kong the like protection with regard to their property as is enjoyed by married women in England and other parts of the Empire. The latter introduces the amendment made in the law of England by the Imperial Enactment 61 and 62 Victoriæ, Cap. 36, by which in all criminal proceedings an accused person and the wife or husband, as the case may be, of such person are made competent witnesses for the defence.

The discovery of iron ore in considerable quantities in the New Territories led to the introduction of the Prospecting and Mining Ordinance, No. 7 of 1906, under which the Government is empowered to grant licences to search for and prove minerals and to grant licences and leases of land for the purpose of working mines and minerals.

The Prepared Opium Amendment Ordinance, No. 15 of 1906, was passed to remove any doubt as to whether the provisions of the Prepared Opium Ordinance, 1901, applied to morphine and all compounds of opium in addition to prepared opium. The Ordinance at the same time makes better provision for the establishment of bonded warehouses for morphine and compounds of opium.

The Merchant Shipping Amendment Ordinance, No. 16 of 1906, makes provision for the prevention of obstruction of vessels and landing places, and for the better regulation of junks and similar craft.

IV.—EDUCATION.

The number of Government and Grant Schools, including Queen's College, is 85, of which 24 are Upper Grade Schools with a staff competent to give instruction in all the subjects of Standard VII., and 61 are Lower Grade Schools under purely native management. Generally speaking, the Upper Grade Schools are taught in English, and the Lower Grade Schools are taught in the vernacular.

The total number of pupils in average attendance at Government and Grant Schools was 5,496, agaist 5,323 in 1905. Of these, 1,932 were in Government and 3,564 in Grant Schools; 3,350 pupils received instruction in English, and 2,146 in the vernacular. The proportion of boys to girls was 3,531 to 1,965.

The revenue derived from school fees was $46,383.25, $31,478.50 of which was received from Queen's College.

The expenditure, including that on Queen's College, was $159,373, being 2·33 per cent. of the total expenditure of the Colony.

The teaching of hygiene has again received much attention. It is a compulsory study in the four highest classes in all schools where English is taught. Steps have also been taken towards the preparation of a syllabus suited to the Vernacular schools.

Progress was again tested by a competitive examination between the schools for prizes and a shield offered by His Excellency the Governor.

For the Advanced Course there were 64 competitors, composed of 36 boys from five schools, and 28 girls from five schools. The result was highly satisfactory. Taking the three best candidates from each school as a basis of calculation, eight schools out of 10 obtained 80 per cent of full marks or over, and one of the remaining schools nearly as many. There were entered for the Elementary Course 123 competitors. Their work was not proportionately so good. Five scholars obtained over 60 per cent., and four over 40 per cent.

Evening Continuation Classes were opened towards the end of the year. The following table shows the subjects taught and the number of students attending each class:—

Subjects Taught and Number of Students Attending.

—	Subject.	No. of Students.
Engineering Section.	Mathematics	39
	Applied Mechanics	28
	Building Construction	25
	Machine Drawing...	16
Science Section.	Chemistry	11
	Physics	18
	Hygiene	5
Commercial Section.	Book-keeping. Elementary	15
	Do. Advanced	7
	Commercial Arithmetic	2
	English Junior	35
	Do. Senior	10
	French. Elementary	15
	Do. Advanced	15
	German	8
	Japanese	12
	Shorthand. Elementary...	17
	Do. Advanced	10

During the year illustrated lectures were delivered at most of the schools on facts relating to the Empire. The lectures, which, together with the slides, were provided by Mr. Mackinder, were greatly appreciated by the scholars, whose interest in the various subjects was increased by the ocular demonstration of them. With the exception of minor matters, such as the darkening of rooms to make the lantern slides clearly visible, which was a somewhat difficult matter, and the length of the lectures, which had to be given in two parts as they were too lengthy for one sitting, the teachers are full of praise for the courses of lectures supplied, and are satisfied that they have proved highly instructive to their pupils.

V.—PUBLIC WORKS.

The principal public works in progress during the year, exclusive of the railway, dealt with in Section XII. of this despatch, were the Tytam Tuk Waterworks (1st Section) and the Kowloon Waterworks, both of which have been described in previous reports. The former made good progress and the latter fair. Though not completed, the Kowloon Waterworks were sufficiently advanced to enable them to be utilised for the supply of the Kowloon Peninsula, the water being turned on on the 24th December. The extension of the distribution system to the important villages of Sham Shui Po, Kowloon City, and Taikoktsui was undertaken towards the end of the year.

Of the larger buildings, the Harbour Office and Western Market were completed, and the new Law Courts and new Government Offices were under construction. The Gunpowder Depôt, extension to Staff Quarters (Government Civil Hosptial), Taipo Quarters, Bacteriological Institute, and Volunteer Headquarters were completed. A branch Post Office in Kowloon and another in Shanghai were completed, and a Public Mortuary near Yaumati and Time Ball Tower on Blackhead's Hill, Kowloon, were begun. The works of reconstruction of gullies and extension of nullah training were continued, $10,000 being spent on the former and over $16,000 on the latter. A large tank for flushing a portion of the sewerage system of the City was constructed in Blake Garden; a rifle range for the use of the Volunteer Reserve Association was laid out at the Peak; and the extensions of the waterworks at Lai Chi Kok for the supply of the shipping were completed.

The Mee Lun Lane Improvement Scheme was undertaken and was well advanced at the close of the year. The system of 100-ft. roads in Kowloon was extended; Salisbury Road was opened as far as Robinson Road in connection with the new Star Ferry landing place; a mass of rock was removed to enable Des Vœux Road to be extended past Messrs. Blackhead's lots; and a commencement was made with the removal of the hill north of Yaumati Theatre, the material being used for private reclamation work north of the Naval Coaling Depôt. Some property in Hunghom Village was resumed to admit of further extension of the system. Important extensions of Conduit Road in easterly and westerly directions, and of the road past Kowloon City were undertaken, substantial progress being made with both works. The latter road is being further extended to join the military roads which have been constructed in this neighbourhood.

The extension and reconstruction of the Albany Filter Beds was continued, fair progress being made with the work.

The work on the Rider Main System was completed in all the districts to which it is intended to apply it.

The total amount expended on Public Works Extraordinary, exclusive of Rider Mains and other Advance Accounts, was $1,463,868.66, and on works annually recurrent, $393,751.40.

VI.—GOVERNMENT INSTITUTIONS.

(A.) Hospitals.

Government Hospitals consist of the Civil Hospital to which is attached an isolated Maternity Hospital, the Victoria Hospital for women and children, the Kennedy Town Infectious Diseases Hospital, and the hulk "Hygeia," used mainly for the treatment of small-pox.

The Civil Hospital contains 150 beds in 19 wards. Two thousand seven hundred and forty-five in-patients and 16,768 out-patients were treated during the year 1906. Two hundred and thirty-nine cases of malarial fever were admitted as against 267 in 1905 and 223 in 1904. The Maternity Hospital contains six beds for Europeans and four for Asiatics. Sixty-four confinements occurred during the year. The Victoria Hospital, at the Peak, contains 41 beds. During 1906, 278 patients were under treatment. Kennedy Town Hospital contains 26 beds. In 1906, 78 cases were treated, of which 49 were plague. On the "Hygeia" 73 cases were treated, of which 66 were small-pox.

(B.) LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separate, the European portion containing eight beds in separate wards, and the Chinese portion 16 beds. One hundred and eighty-four patients of all races were treated during 1906, and there were nine deaths.

(C.) THE TUNG WAH HOSPITAL.

This Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $6,000 from the Government. Only Chinese are treated in this institution which takes the place of a poorhouse and hospital for Chinese sick and destitute, and is administered by an annually-elected body of 15 Chinese directors. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. The Hospital is managed by a Committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government, may be mentioned the Pó Leung Kuk, the College of Medicine for Chinese, and the City Hall.

The Pó Leung Kuk is an institution, incorporated in 1893, presided over by the Registrar-General and an annually-elected Committee of 12 Chinese gentlemen, for the protection of women and children. The inmates of the Home receive daily instruction in elementary subjects and are allowed to earn pocket-money by needlework. During 1906, a total of 319 persons were admitted. Of these, 82 were released after enquiry, eight were released under bond, 106 were placed in charge of their husbands, parents, or relations, three were placed in charge of the Japanese Consul, 26 were sent to charitable institutions in China, 24 were sent to school, convent, or refuge, six were adopted, 53 were married, and one died.

The Hong Kong College of Medicine was founded in 1897. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. Ninety-six students have been enrolled up to the end of 1906, and of these, 29 have become qualified licentiates and have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science among the Chinese; and in addition to the employment of certain of the licentiates in the public service, the senior students have frequently been made use of for various purposes during epidemics. A Government grant-in-aid of $2,500 is made to the College, to be used as honoraria to the lecturers.

The City Hall receives an annual grant of $1,200 from Government. It contains a Reference Library and Museum.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 11,144, being a decrease of 373 or 3·23 per cent. as compared with 1905. In the division of these cases into serious and minor offences, there is an increase in the former, as compared with the previous year, from 2,984 to 3,333, that is of 11·69 per cent., occurring mainly in unlawful possession.

The number of serious offences reported was 408 below the average of the quinquennial period commencing with the year 1902.

The number of minor offences reported shows a decrease of 722 as compared with 1905.

The number of minor offences reported was 324 below the average of the quinquennial period.

The total number of persons committed to Victoria Gaol was 5,799, as compared with 6,227 in 1905, but of these, only 2,575 were committed for criminal offences, against 2,816 in 1905. Of committals for non-criminal offences, there were 199 less under the Prepared Opium Ordinance, and 25 more for infringement of Sanitary By-laws.

The daily average of prisoners confined in the gaol was 518, the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was ·161 as compared with ·183, the average percentage for the last ten years. The prison discipline was satisfactory, the average of punishments per prisoner being 1·21, as compared with 1·47 in 1905 and 1·1 in 1904.

The remunerative labour carried on in the gaol consists of printing, bookbinding, washing, carpentry, bootmaking, netmaking, painting and whitewashing, matmaking, tailoring, oakum picking, &c., the profit on the work done being $37,495.56.

The total strength of the police force for 1906 was Europeans, 133; Indians, 410; Chinese, 504; making a total of 1,047; as compared with 1,018 in 1905, exclusive in each case of the four superior officers and a staff of clerks and coolies. Of this force, an Assistant Superintendent, who also acted as Magistrate, and 19 Europeans, 85 Indians, and 44 Chinese were stationed in the New Territories during the year.

The force of district watchmen, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year.

IX.—VITAL STATISTICS.

(A.) POPULATION.

The population of the Colony, according to the Census taken in 1901, was 283,975, while at the Census taken in 1906 it was 301,967 exclusive of New Kowloon and the Army and Navy Establishments. The estimated population at the middle of the year under review was 326,961, as follows:—

Non-Chinese Civil Community		12,174
Chinese population—		
Hong Kong	191,815	
Old Kowloon	51,600	
New Kowloon (approximate) ...	17,790	
Floating population	42,550	
Mercantile marine	2,375	
		306,130
Army (average strength)	3,959	
Navy (average strength)	4,698	
		8,657
Total		326,961

New Kowloon was brought under the jurisdiction of the Sanitary Board in 1903, and its estimated population has accordingly been included. The population of the remainder of the New Territories according to the Census of 1901 was 85,011, making, when added to the present estimate, a grand total of 411,972.

At the Census taken in 1906 the actual number of members of the navy present in the Colony was 4,698.

(B.) PUBLIC HEALTH AND SANITATION.

During the year under review considerable progress has been made in rendering existing domestic buildings rat proof, as a preventive of plague, 837 ground surfaces of houses having been made good with concrete and cement, while rat runs have been filled up with cement in 286 buildings.

New buildings (domestic) to the number of 162 were erected during the year, and in these the effect of the present Ordinance is seen in the increased amount of open space about the houses, which the law requires. Scavenging lanes, which have to be provided in the rear of new houses, also increase the open space about them and tend to reduce surface crowding.

Under the Insanitary Properties Resumption Scheme 21 houses and a portion of one other have been resumed during the year, and these, together with thirty others which had been previously resumed were demolished. The total area covered by these buildings was 29,502 square feet.

During the year there were 842 deaths from plague, compared with 287 in 1905 and 495 in 1904.

There were 1,634 deaths from respiratory diseases amongst the Chinese, or 20·2 per cent. of all Chinese deaths; 795 of these deaths were due to phthisis.

Beri-beri caused 561 deaths—a high figure, but considerably lower (117 less) than that for 1905 and 174 less than in 1904.

The deaths from malaria were 448, as against 287 in 1905, the increase being chiefly due to the prevalence of the disease among the coolies employed on the railway works. The average number of deaths from this disease has fallen from 552 in the quinquennium 1897 to 1901, to 354 in the quinquennium 1902 to 1906.

(C.) CLIMATE.

The average monthly temperature throughout the year was 71·8° F., as compared with 71·6° F. in 1905 and 72·0° F. during the ten preceding years. The maximum monthly temperature was attained in August, when it reached 88·8° F., and the minimum monthly temperature was recorded in January, when it was 54·8° F. The highest recorded temperature during the year was 93·7° F., on the 28th August, and the lowest 46·8° F. on the 2nd January.

The total rainfall for the year was 77·80 inches, as compared with an average of 77·46 inches during the past ten years. The wettest month was September, with 30·60 inches; the driest, November, with only 0·18 inch. The greatest amount of rain which fell on any one day was 5·265 inches, on the 29th September, while no rain fell on 215 days of the year. The relative humidity of the atmosphere throughout the year was 78 per cent., as compared with an average of 77 per cent. during the past 10 years. The average daily amount of sunshine was 5·3 hours, being 47 per cent. of the possible duration.

X.—POSTAL SERVICE.

The total receipts paid into the Treasury in 1906 by the Postal Department amounted to $557,278.26, from which sum $136,824.22 was transferred to other heads of General Revenue under which fees and duties are paid in stamps, which are now sold exclusively by the Post Office, leaving the sum of $420,454.04 as revenue of the Postal Service. The total expenditure amounted to $359,484.08, which, after deducting $420,454.04 as revenue, leaves a profit of $60,969.96.

An arrangement for the transmission of insured letters direct between the Straits Settlements and Hong Kong came into force on the 1st December, 1906.

A direct exchange of money orders with Cape Colony came into force on 1st January.

The new Post Office at Kowloon was occupied in September. The Western Branch Post Office was re-opened on 1st October.

Shanghai British Post Office was enlarged.

A postal agency was opened at Tientsin on 1st October.

The pillar box system in Hong Kong was considerably extended during the year.

XI.—MILITARY FORCES AND EXPENDITURE.

(A.) REGULAR FORCES.

The following return shows the number and composition of the forces employed in the Colony during 1906:—

Corps.	Europeans.		Indians.		Chinese.	Totals.
	Officers.	W. O.'s, N. C. O.'s & Men.	Native Officers.	W. O.'s, N. C. O.'s, & Men.	N. C. O.'s & Men.	
General Staff (Officers only) ...	4	—	—	—	—	4
Garrison Staff (W. O., N. C. Officers only).	—	6	—	—	—	6
Royal Garrison Artillery	19	664	—	—	—	683
Royal Engineers	11	243	—	—	65	319
2nd Royal West Kent Regiment ...	9	419	—	—	—	428
Army Service Corps	4	27	—	—	—	31
Royal Army Medical Corps ...	8	43	—	—	—	51
A. O. Department and Corps ...	6	31	—	—	—	37
A. P. Department and Corps ...	2	8	—	—	—	10
Hong Kong & Singapore Bn. R.G.A.	10	9	7	405	—	431
3rd Middlesex Regiment	2	75	—	—	—	77
119th Infantry	9	—	15	750	—	774
129th (D.C.O.) Baluchis	9	—	15	753	—	777
Indian Subordinate Medical Department.	—	—	1	4	—	5
Total	93	1,525	38	1,912	65	3,633

(B.) COLONIAL CONTRIBUTION.

The Colony contributed $1,305,185.80 (being the statutory contribution of 20 per cent. of the estimated revenue) towards the cost of the maintenance of the regular forces in the Colony and barrack service.

(C.) VOLUNTEER CORPS.

The total esablishment of the Corps is 443 of all ranks. The strength on the 31st December, 1906, was 297, made up as follows:—Staff, 6; two Garrison Artillery Companies, 211; one Engineer Company, 39; Troop, 41.

The members of the corps are now all armed with the new M.L.E. short rifle and the latest pattern equipment.

The period for the annual camp of instruction was extended from 10 days to 16; it was held in October, 1906, and was very well attended.

The Mounted Troop camp was held at Fan Ling, in the New Territories. The camp took place during the Christmas holidays, and was well attended. Much useful work was done.

The Hong Kong Volunteer Reserve Association numbered 251 members at the close of the year, an increase of 38 members as compared with 1905.

Members of this Association, who must be over 35 years of age, are required to make themselves proficient in rifle shooting, and undertake to enrol themselves under the Volunteer Ordinance in the event of hostilities.

A small Cadet Corps was commenced in May, 1906, with boys from the Victoria British School; there are now 13 of them, instructed in squad drill and semaphore signalling. They attended camp, and are already very efficient signallers.

The new headquarter building was opened in December, 1906, and is already very popular. A well-equipped gymnasium will shortly be installed, the necessary apparatus having been ordered from England.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $47,351.34, compared with $58,311.12 in 1905.

XII.—GENERAL OBSERVATIONS.

The year 1906 is likely to be known by the present generation in Hong Kong as the year of the great typhoon. Between 8.30 and 11 a.m. on the 18th September a storm of narrow diameter but great violence passed over the Colony. In the absence of warning, no preparations had been made to meet it, and great loss of life and property resulted. Fifteen Europeans were drowned, including the Right Reverend Dr. John Charles Hoare, Bishop of Victoria, who was on a tour of diocesan inspection. Captain L. A. W. Barnes-Lawrence, R.N., the Harbour Master, died on the 2nd October as the result of exposure during and overwork after the storm. Two thousand three hundred and eighty-five Chinese were actually reported missing, but the loss of Chinese life is believed to have been much greater than this, and probably exceeded 5,000. Fifty-nine European-built merchant vessels, of 72,185 aggregate tonnage, foundered, grounded, or otherwise received injuries which in the case of 18 vessels, of 8,198 agregate tonnage, amounted to or resulted in total loss. In addition, 80 steam launches were more or less damaged, including 32 that were sunk, of which most were, however, afterwards raised. H.M.S. "Phoenix," a sloop of 1,050 tons, went ashore and has since been broken up; the French torpedo-boat destroyer "Fronde," though broke in two by a similar accident, was considered worth repairing; a number of Colonial Government vessels were damaged; 796 junks, 798 cargo boats, 275 sampans and 544 other boats, making a total of 2,413 Chinese craft, were reported lost or missing. All the temporary and some of the permanent piers in Victoria and Kowloon were destroyed, and much injury was done to sea walls in both places and to dykes protecting cultivation in the eastern part of the New Territories. Eighteen houses in Victoria, 122 in Kowloon, and about 50 in the New Territories were blown down wholly or in part or rendered unsafe for habitation. Considerable injury was done to the roads in various parts of the Colony, to the telephone systems, to public buildings in progress, to the pine plantations on the Island, and to the crops on the low-lying grounds on the shores of Tide Cove and Tolo Harbour. Two days after the typhoon a relief fund was started, of which the principal object was to enable the boating people to again carry on the work of the harbour. The sum raised amounted ultimately to $279,903, of which $127,494, mainly subscribed by European firms, residents and sympathisers, was collected by the Relief Fund Committee, and $152,409, subscribed by Chinese in Hong Kong and elsewhere, was collected by the Committee of the Tung Wa Hospital. Of the aggregate sum, $244,892 has been expended in buying, rebuilding, and repairing 1,600 junks, sampans and other boats, in recovering and burying corpses, in maintaining destitutes, in relief to widows and orphans, &c.

The great typhoon called forth expressions of sympathy from His Majesty the King, from His Majesty's Government and from various British and foreign governments and communities in the Far East. Another bright aspect of it were the acts of heroism and duty performed in the rescue and aid of sufferers and in the clearing away of the more gruesome evidence of the catastrophe. The latter work and the putting in hand of the salvage operations in the harbour and of the heavy repairs on shore were delayed by subsequent storms of which one on the night of the 19th to 20th September passed within 300 miles and a second on the 23rd passed just beyond this distance of the

Colony. The centre of a third moving from South East to West on the 28th and 29th passed not far from Gap Rock and resulted in considerable further damage. On October 1st the tyhpoon signal was hoisted for the last time in the year.

A disaster on a smaller scale than the typhoon but not less horrid in its details occurred about 3 a.m. on the morning of October 14th, when the s.s. "Hankow" (3,073 tons), of the Hong Kong, Canton and Macao Steamboat Company, within a few minutes of tying up to the company's pier and with some 800 persons still on board burst into flames. Ninety bodies, including those of 52 women and 19 children, were recovered of persons who had sought but failed to find safety by jumping into the water, and the charred remains of 19 others were found on board, while two persons died in hospital from injuries received. A valuable cargo was lost, and the whole interior of the ship destroyed. The cause of the fire was not definitely ascertained, but is believed to have been a coolie smoking on a heap of matting on deck.

Apart from these calamities various occurrences outside the Colony tended to make the year a bad one for trade. Piracy in the waterways leading to Canton was rife, culminating in an attack on the British steamer "Sainam," of 349 tons, belonging to the Hong Kong, Canton and Macao Steamboat Company, which took place on the evening of the 13th July near Sam Shui, on the West River, when the ship was on her way from Canton to Wu Chow. In this attack the master and several Indian watchmen belonging to the ship were wounded, and a missionary—the Revd. R. J. J. Macdonald, M.D.—killed. The Chinese authorities, stimulated by H.B.M. Consul-General at Canton, showed some vigour in detecting and punishing the persons egaged in this outrage, but the problem, in which the mercantile community of the Colony took an active interest, of how to prevent the occurrence of similar incidents in the future had received no solution by the end of the year.

Bad as were the effects on trade of the insecurity of the waterways, far greater evils resulted from the direct action of the Canton authorities in issuing from the provincial mint vast quantities of subsidiary coins containing about 10 per cent. less silver than the dollar of which they purported to represent fractional parts. This over-issue, bringing down the value of stocks of similar coins already in the country by about 5 per cent. greatly reduced the purchasing power of the Kwang Tung consumer of foreign goods. It incidentally brought down the dollar value of the Hong Kong subsidiary coins, to the inconvenience of various trading concerns in the Colony and of its Government who were unable to get rid of a large stock of this coin purchased in the preceding year and had eventually to return $3,398,000 of it to England for sale as bullion. The Hong Kong Government decided as a result of this lesson to eliminate from their future financial policy the idea of making profit from the supply of subsidiary coins to the two Kwang Provinces and then took steps, which since the end of the year have had some result, to impress on the Government of those provinces the imperative necessity for checking the output from the Canton mint.

Other matters outside the Colony adversely affecting its prosperity were the failure, due to floods, of the first rice crop in the neighbouring provinces of China and the continued appreciation of silver.

In the China trade of Hong Kong and as regards imports very heavy losses had to be faced at the end of the year, owing to the large stocks of Indian yarn which were held at prices above their true value. Neither in Manchester, fancy, or wool goods was business satisfactory, and in metals it was dull. Importations of Australian flour continued to increase largely. Exports did not do so badly. There was a good yield of silk and fair demand for it, and native dealers were satisfied with the results of the year as regards ginger and soy.

The rise in the sterling value of the dollar, which has been going on since early in 1903, continued in 1906, the range of variation in the year being slightly greater than in 1905. At the commencement of January the dollar stood at 2*s*. $0\frac{11}{16}$*d*. It fell to 2*s*. $0\frac{5}{16}$*d*. for a short time at the end of that month and again at the end of February, rose irregularly to 2*s*. $3\frac{9}{16}$*d*. in the middle of November, and was worth 2*s*. $3\frac{1}{16}$*d*. at the end of the year. The maximum of the year was the highest value that had been attained since the end of 1893. The rise is said to have involved some withdrawal of capital from the Colony for investment in gold-using countries and consequent depreciation in the value of local stocks.

Certainly those stocks dealt with in the Colony which give the best indication of the state of its business decreased considerably in value during the year. The shares of four land companies went down on an average over 10 per cent., while those of the Hong Kong and Whampoa Dock Company, Limited, in spite of business brought by the typhoon, fell nearly 12 per cent., and of the Hong Kong and Kowloon Wharf and Godown Company 13 per cent. The shares in nearly every industrial undertaking, including the two sugar refineries, the Cement Company and the Rope Manufacturing Company, shrunk in value.

The depreciation in the value of land and buildings evidenced by the fall in the shares of the land companies was attributed by some to the manner in which the provisions of the Public Health and Buildings Ordinance of 1903 were being enforced by the officials of the Sanitary and Public Works Departments. Complaints in the local newspapers and at the meetings of the Sanitary Board that the Ordinance was not being properly or reasonably administered were so numerous in the early part of the year that it appeared to the Government advisable to institute an enquiry into them and also into certain suggestions as to corruption that had made themselves heard. A committee, consisting of the unofficial members of the Sanitary Board, was appointed on the 28th April to carry out this enquiry under the Chairmanship of the Honourable Mr. H. E. Pollock, K.C. As, however, it presently seemed necessary that there should be power to enforce the attendance of witnesses, compel the production of documents, &c., the Committee was converted into a Commission on the 10th May. Mr. Pollock's resignation of the Chairmanship shortly afterwards required an amended Commission, dated the 26th May, appointing the Honourable Mr. E. A. Hewett to the post. The Commission were directed to enquire into and report:—

(1.) Whether the administration of the Sanitary and Building Regulations enacted by the Public Health and Buildings Ordinance, 1903, as now carried out is satisfactory, and, if not, what improvements can be made,

(2.) Whether any irregularity or corruption exists or has existed among the officials charged with the administration of the aforesaid regulations,

The Commission had not reported by the end of the year, but had brought to the notice of the Government several cases of corrupt practices which were dealt with by the Executive Council of the Colony.

In the early part of the year also, numerous petitions were presented by elders in the New Territories through the Registrar-General on the subject of Crown Rent for agricultural lands and buildings. These resulted in the Government, after full consideration declining to reduce but promising not to increase for the 75 years term of lease the rents in question and in their making several minor concessions. This result appears to have given satisfaction, and the former difficulties in collecting rent have nearly disappeared.

In other respects the territories were quiet and apparently prosperous during the year. Crops were good except for the typhoon, damage to which reference has already been made.

Mining operations there remained in the prospecting stage, but the discovery of iron ore, which competent engineers report to be present in large quantities, led the promoters to apply for the mining lease of a square mile of territory in the Sha Tin District. This was granted by the Government to Sir Paul Chater, Kt., C.M.G., on the 21st January, 1907. Analysis shows that the ore is composed of magnetite iron ranging from 53 per cent. to 60 per cent. metal, entirely free from phosphorus or sulphur, and therefore the very best ore for the manufacture of steel. Japanese buyers are in treaty for the purchase of the ore, but the Company, recently formed by Sir Paul Chater, desire if possible to establish smelting works in the Colony, and are now negotiating with English iron-masters on the subject.

Railway matters continued to be of special interest, and made some progress in 1906.

The attempts of His Britannic Majesty's Consul at Canton and Minister at Peking and of the Hong Kong Government to get the Chinese authorities to open negotiations for the conclusion of a Final Loan Agreement for the Chinese section of the Canton-Kowloon Railway and of an agreement for the joint working of that with the British section resulted in four meetings being held at Canton, in March and April, between representatives of the Viceroy there and of the British and Chinese Corporation, in the Viceroy recognising the Preliminary Agreement made by the Corporation with the Chinese Government on the 28th March, 1899, and in his proposing arrangements which, though they differed materially from those of the preliminary loan agreement and included none for joint working, were accepted as the basis for the further negotiations. These, after many delays, were carried on at Peking between T'ang Shao-yi, the Chinese Director-General of Railways, two representatives of the Canton Viceroy, and Mr. J. O. P. Bland representing the Corporation. Ten meetings were held between the 23rd August and the 7th November, and on the 10th of the latter month a Final Loan Agreement was signed by T'ang Shao-yi and Mr. Bland. It provides for the Corporation issuing a 5 per cent. loan of £1,500,000 for the construction and equipment of the Chinese section of the railway. A first mortgage on the railway is to be the security of the loan, the duration of which is to be 30 years. The construction is to be under the direction of a Chinese Managing Director with whom are to be associated a British Engineer-in-Chief and a British Chief Accountant. The agreement provides that a further one for the joint working of the British and Chinese sections of the railway should be arranged between the Viceroy of Canton and the Governor of Hong Kong. Negotiations for this further agreement were not started before the end of the year.

The Final Loan Agreement for the Canton-Kowloon Railway also lays it down that "it is understood that the Chinese Government will not build another line competing with this railway to its detriment." In this connection, it may be mentioned that a proposal of the Chinese authorities to build a line towards Amoy, which for some 40 miles must have followed approximately the same course as the Canton-Kowloon Railway, called forth considerable opposition from Hong Kong, where it was held that the construction of such a line was contrary to the preliminary agreement of March, 1899.

While the survey work on the British section of the Canton-Kowloon Railway was being completed in the early part of the year, construction was proceeding on the line between Tai Po and Lo Fu Ferry under the Public Works Department, and by the end of April about 2½ miles of bank had been formed, not including, however, any bridge or heavy earthwork. On the 23rd March Mr. W. G. Eves, who had been appointed by the Consulting Engineers—Sir John Wolfe Barry and Company—

to be Chief Resident Engineer, arrived in the Colony and took charge of the work, being assisted by an engineering staff of one executive and four assistant engineers, who arrived subsequently. During the summer, sickness among staff and workmen and some difficulties with labour delayed the progress of the work, which consisted at first in preparing for the piercing of the tunnel through the Kowloon Hills. By the end of the year quarters for staff and labourers, and workshops were completed on the south, but were still under construction on the north side of the tunnel. A store yard, with arrangements for landing plant and material, had been formed at Tai Kok Tsui and connected by about 3,000 yards of temporary metre-gauge railway with the south face, while a service road, some 1,500 yards long, formed, with part of the existing Public Works Department Road, a communication to the north face from a temporary landing place at Lok Lo Ha in Tide Cove. As regards permanent work, by the end of the year a heading had been started from the open at either end of the tunnel, but in neither case had advanced more than a few feet inside what will be the ultimate tunnel face. A shaft 90 feet deep had been sunk 330 feet inside this face at the south end, and headings commenced in both directions from it. Another shaft to be 268 feet deep, 5,100 feet from the first, and 1,350 feet inside the north face, had been decided on but not yet started. At the end of the year work was also proceeding on four bridges south of the tunnel and on two north of it in the Shatin Valley. A considerable portion of the earthwork for about a mile on either side of the tunnel and about half of that between Tai Po and the Lo Fu Ferry had been completed. The reclamation for the station site in Hung Hom Bay had been put in hand. The total expenditure that had actually been incurred by the 31st December was $599,546.

Turning to the minor incidents of the year and reverting to commercial matters it may be mentioned that with a view to making Hong Kong products better known in England and also to assisting the general trade of the Colony, collections of specimens of its manufactures and also of the various articles which are included in its export trade have been sent to England to constitute a permanent exhibition in the Imperial Institute buildings at South Kensington.

In the Colony itself, two exihibitions were held which it is hoped will be repeated annually. On the 1st and 2nd February the new Horticultural Society, revived on the lines of the old Society which organised annual flower shows from 1873 to 1883, successfully held its first show in the Botanical Gardens. On the 1st, 2nd, and 3rd November an "Arts and Crafts" exhibition collected in the City Hall some good specimens of local photography, needlework, book printing and binding, and domestic furniture and some fine pieces of pottery and other works of art lent by European and Chinese Residents.

An interesting event in the early part of the year was the visit of the mission with His Royal Highness Prince Arthur of

Connaught at its head, which was conveying the Garter to His Imperial Majesty the Emperor of Japan. The mission was in Hong Kong from the 9th to the 13th February. In March advantage was taken of the presence of a Japanese squadron to return some of the hospitality that had been shown in the previous summer to the British fleet in Japanese waters, and of the visit of the French squadron of the Far East to bear witness to the cordial understanding between England and France. In September a joint Naval and Military Committee under the presidency of Sir John Owen, K.C.B., visited the Colony for the consideration of certain matters connected with its defence.

Changes during the year in personnel outside the Colony, but closely affecting it, were the substitution of Chou Fu, formerly Acting Governor-General Liang Kiang, for Ts'ên Ch'un-hsüan as Governor-General Liang Kuang, and the appointments in May of Sir John N. Jordan, K.C.M.G., to replace Sir Ernest Satow, G.C.M.G., as Minister at Peking, and in April of Mr R. W. Mansfield, C.M.G., to replace Mr. J. Scott as Consul-General at Canton. During the year the British Naval and Military Commanders were both changed. Vice-Admiral Sir Arthur W. Moore, K.C.B., K.C.V.O., C.M.G,, succeeding Admiral Sir Gerard H. U. Noel, K.C.B., K.C.M.G., as Commander-in-Chief of the China Station in March, and Major-General R. G. Broadwood, C.B., following Major-General V. Hatton, C.B., in command of the troops in South China in December.

Reference has already been made to the lamented deaths of Bishop Hoare and Captain Barnes-Lawrence. The latter has been succeeded as Harbour Master by Commander B. R. H. Taylor, R.N. On the 31st October, Sir Henry S. Berkeley, Kt., K.C., retired from the office of Attorney-General, Mr. W. Rees Davies, who did not arrive in the Colony before the end of the year, being appointed to succeed him. In the Legislative Council, Mr. E. A. Hewett on the 30th April succeeded Mr. R. Shewan as elected representative of the Chamber of Commerce, and on the 1st June, Mr. W. J. Gresson, of Messrs. Jardine, Matheson, and Company, took the place of Mr. C. W. Dickson, of the same firm, as a nominated member. Mr. E. Osborne temporarily relieved Mr. G. Stewart in a similar position when the latter went on leave early in the year.

On the 15th December, Mr. F. H. May, C.M.G., who had arrived from England a week previously, took over the administration of the Colony on my having to proceed on short leave to Java for the recovery of health. Mr. Sercombe Smith, who had been acting as Colonial Secretary during the whole period of Mr. May's absence from the Colony, served in the same capacity on the latter assuming the charge of the Government.

I have, &c.,
M. NATHAN.

The Right Honourable
The Earl of Elgin, K.G.,
&c., &c., &c.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony.	Year.
493	Northern Territories of the Gold Coast	1905
494	Ceylon	"
495	Turks and Caicos Islands	"
496	Bahamas	1905–1906
497	Barbados	"
498	Malta	1905
499	British Central Africa Protectorate	1905–1906
500	Colonial Survey Committee	"
501	Grenada	1905
502	Straits Settlements	"
503	Gibraltar	"
504	Trinidad and Tobago	1905–1906
505	St. Lucia	1905
506	Mauritius	"
507	Southern Nigeria (Lagos)	"
508	Somaliland	1905–1906
509	Fiji	1905
510	St. Vincent	1905–1906
511	Sierra Leone	1905
512	Southern Nigeria	"
513	Basutoland	1905–1906
514	British Guiana	"
515	British Honduras	1905
516	Northern Nigeria	1905–1906
517	Bechuanaland Protectorate	"
518	Leeward Islands	"
519	East Africa Protectorate	"
520	Seychelles	1906

MISCELLANEOUS.

No.	Colony.	Subject.
31	Northern Nigeria	Cotton, &c.
32	Do. do.	Mineral Survey.
33	Southern Nigeria	Do.
34	Montserrat	Agricultural Industry.
35	Antigua and St. Kitts-Nevis	Sugar.
36	West Indies	Work of Imperial Department of Agriculture.
37	Ceylon	Mineral Survey (1904–05).
38	St. Helena	Agricultural (1884).
39	Jamaica	Cayman Islands.
40	Northern Nigeria	Native Taxation.

COLONIAL REPORTS—ANNUAL.

No. 570.

HONG KONG.

REPORT FOR 1907.

(For Report for 1906, *see* No. 521.)

Presented to both Houses of Parliament by Command of His Majesty.
August, 1908.

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No. 570.

HONG KONG.

(For Report for 1906, *see* No. 521.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
24th June, 1908.

MY LORD,

I HAVE the honour to submit for Your Lordship's information the following general Report on the annual Blue Book for the year 1907:—

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I.—FINANCES.

The revenue for the year, exclusive of land sales, amounted to $6,442,529 or $179,540 less than the previous year. Land sales amounted to $159,750, or $155,982 less than in 1906. The total revenue from all sources was therefore $6,602,280, or $432,731 less than in the previous year. All the main sources of revenue show an excess over 1906 with the exception of licences, rent of Government property, interest, and land sales.

Light dues, licences, fees of Court, Post Office receipts, and rent of Government property brought in together $300,504 more than was estimated. The receipts under the remaining heads of revenue were, all together, $146,249 less than were anticipated when the estimates were drawn up.

The expenditure for the year was $5,028,553, exclusive of public works extraordinary; inclusive of that item it was $5,757,203, or $1,075,407 less than the total expenditure of 1906.

Deducting from the actual receipts for 1907 the total actual expenditure, there was a surplus of $845,076 on the actual working of the year.

(A.) General Revenue and Expenditure.

The following is a brief abstract of revenue and expenditure for the years 1906 and 1907:—

Revenue.

—	1906.	1907.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Light Dues	77,722.04	80,389.00	2,666.96	—
Licences and internal revenue not otherwise specified.	4,765,227.78	4,530,468.75	—	234,759.03
Fees of Court, &c.	470,151.53	498,621.05	28,469.52	—
Post Office	420,454.04	445,420.92	24,966.88	—
Rent of Government property ...	826,699.20	809,647.90	—	17,051.30
Interest	8,068.42	—	—	8,068.42
Miscellaneous	53,747.24	77,982.34	24,235.10	—
Water Account	—	—	—	—
Land sales	315,733.21	159,750.29	—	155,982.92
Amount transferred from Praya Reclamation Fund.	97,208.32	—	—	97,208.32
Total ... $	7,035,011.78	6,602,280.25	80,338.46	513,069.99
	Deduct increase			80,338.46
	Nett decrease			432,731.53

Expenditure.

—	1906.	1907.	Increase.	Decrease.
	$ c.	$ c.	$ c.	$ c.
Non-effective charges	333,823.31	313,658.67	—	20,164.64
General administration	1,404,287.42	1,034,695.00	—	369,592.42
Law and order	832,919.87	847,418.62	14,498.75	—
Public health	659,413.66	648,951.51	—	10,462.15
Public instruction	162,973.32	184,028.19	21,054.87	—
Public works	2,086,655.96	1,468,857.48	—	617,798.48
Defence	1,352,537.14	1,259,594.00	—	92,943.14
Total	6,832,610.68	5,757,203.47	35,553.62	1,110,960.83
Deduct increase				35,553.62
Nett decrease			$	1,075,407.21

The following table shows the total revenue and expenditure for the five years 1903-1907:—

—	1903.	1904.	1905.	1906.	1907.
	$ c.	$ c.	$ c.	$ c.	$ c.
Revenue	5,238,857.88	6,809,047.99	6,918,403.85	7,035,011.78	6,602,280.25
Expenditure ...	5,396,669.48	6,376,235.30	6,951,275.26	6,832,610.68	5,757,203.47
Surplus	—	432,812.69	—	202,401.10	845,076.78
Deficit	157,811.60	—	32,871.41	—	—

from which it will be seen that both revenue and expenditure for the year were lower than at any time since 1903.

(B.) ASSETS AND LIABILITIES.

At the end of the year 1907, the assets of the Colony amounted to $2,650,733.99, or, including arrears of revenue, $2,739,712.32. The total liabilities were $1,205,995.13, so that the surplus of assets over liabilities amounted to $1,533,717.19.

(C.) PUBLIC DEBT.

Inscribed Stock at 3½ per cent. interest, £341,799 15*s.* 1*d.* incurred for Praya Reclamation; Central Market; water, drainage, and sewerage works, &c., to be paid off on 15th April, 1943.

Inscribed Stock at 3½ per cent. interest (loan of £1,100,000 at 4½ per cent. to Viceroy of Wuchang) £1,143,933 1*s.* 4*d.* (Amount repaid by Viceroy placed to credit of Special Account £220,000, which has been advanced therefrom for Railway construction.) Sinking fund commences in 1911.

The amount paid into the Joint Sinking Fund with accrued interest reached £61,813 4*s.* 4*d.** on the 31st of December, 1907.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(A.) TRADE AND SHIPPING.

The total of the shipping entering and clearing at ports in the Colony during the year 1907 shows an increase of 77,908 vessels of 3,281,042 tons when compared with the corresponding figures for 1906, in which year there was a decrease of 1,437,823 tons due to loss of local vessels in the typhoon. The greater part of this is due to internal traffic—"steamships not exceeding 60 tons plying within the waters of the Colony." If local trade be eliminated, it is found that the remaining figures show the respectable increase of 3,110 vessels of 579,814 tons.

This increase is distributed as follows:—

British ocean-going vessels, 59 ships of 26,698 tons.
Foreign ocean-going vessels, 334 ships of 627,380 tons.
British River steamers, 364 ships with a decrease in tonnage of 212,137 tons.
Foreign river steamers, 239 ships of 76,075 tons.
Steamships not exceeding 60 tons, 703 ships of 29,739 tons.
Junks in foreign trade, 1,411 vessels of 32,059 tons.

The actual figures of arrivals and departures are as follows:—

Foreign Trade.

Of British Ocean-going.	1,876	arrivals	of	3,605,941	tons.
	1,880	departures	„	3,610,228	„
Of Foreign Ocean-going.	2,306	arrivals	„	3,861,570	„
	2,315	departures	„	3,859,305	„
Of British River steamers.	3,412	arrivals	„	2,316,889	„
	3,416	departures	„	2,313,475	„
Of Foreign River steamers.	655	arrivals	„	371,996	„
	655	departures	„	371,996	„
Of Steamships not exceeding 60 tons.	791	arrivals	„	3,015	„
	790	departures	„	3,006	„
Of Junks in Foreign Trade.	14,782	arrivals	„	1,320,892	„
	14,782	departures	„	1,330,578	„
Total Foreign Trade	23,822	arrivals	„	11,512,303	„
	23,838	departures	„	11,520,588	„

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* This includes the sum of £14,352 8*s.* 1*d.* surplus of interest paid by the Viceroy on the loan of £1,100,000.

Local Trade.

Of Steamships not exceeding 60 tons.	209,601	arrivals	of	5,608,266	tons.
	209,601	departures	„	5,608,266	„
Of Junks in Local Trade.	20,820	arrivals	„	892,818	„
	19,952	departures	„	586,069	„
Total Local Trade	230,421	arrivals	„	6,501,084	„
	229,553	departures	„	6,494,335	„
Grand Total Local and Foreign.	254,243	arrivals	„	18,013,387	„
	253,391	departures	„	18,014,923	„

Thus in foreign trade:—

	Per cent.
British ocean-going vessels represented ...	31·4
Foreign ocean-going vessels represented ...	33·5
British river steamers represented	20·1
Foreign river steamers represented	3·2
Steamships not exceeding 60 tons represented...	0·3
Junks represented	11·5
	100·0

While in local trade:—

Steamships not exceeding 60 tons represented...	86·3
Junks represented	13·7
	100·0

The movements of the "Star" Co.'s ferry launches, of private steam-launches, and of fishing junks do not appear in the above figures.

Eight thousand two hundred and thirty-nine (8,239) steamers, 10 sailing ships and 791 steamships not exceeding 60 tons, in foreign trade, entered during the year, giving an average daily entry of 24·77 European-constructed foreign-going ships, as compared with 22·5 in 1906.

The average tonnage of ocean-going vessels entered has increased slightly, from 1,784·9 to 1,785·6 tons, while that of river steamers has declined from 734 to 661 tons. The British ocean average has decreased from 1,945 to 1,921 tons. The foreign ocean average has increased from 1,654 to 1,670 tons. The British river steamer average has declined from 749 to 678 tons and the foreign river steamer average has declined from 623 to 567 tons.

A comparison between the years 1906 and 1907 shows:—

For ocean vessels under the British flag, an increase of 59 ships of 26,698 tons.

In British river steamers an increase of 364 ships with a decreased tonnage of 212,137 tons, which is mainly due to the withdrawal of the large sized steamer *Hankow* and the addition of the two small Macao steamers *Sui Tai* and *Sui An*.

For foreign ocean vessels an increase of 334 ships of 627,380 tons is shown, which is wholly due to the Japanese firms increasing their carrying trade. Under this flag, an increase of 455 ships of 976,450 tons is found, with a general falling off under other flags.

For foreign river steamers an increase of 238 ships of 76,075 tons is shown, which can be accounted for by vessels under the German, Chinese, and Portuguese flags making more trips in 1907 than in 1906.

For junks in foreign trade, an increase of 1,411 vessels of 32,059 tons.

A decrease in local junk trade, 10,844 vessels of 263,768 tons which may be ascribed to the cessation of the naval extension work and to the falling off in conservancy boats.

The actual number of individual ocean-going ships of European construction entering during the year was 800, being 362 British and 438 foreign.

These 800 ships agrgegated 1,860,245 tons. They entered 4,182 times and gave a collective tonnage of 7,467,511 tons. Thus compared with 1906, 70 less ships of 73,514 less tons, entered 170 more times and gave a collective tonnage increased by 306,183 tons.

The 800 vessels were divided as follows between the several nationalities:—

Vessels entered.		Times.	Total tonnage.
355	British Steamers	1,867	3,586,510
9	Austrian „	30	106,523
1	Belgian „	1	2.903
20	Chinese „	214	267,789
2	Corean „	14	21,298
9	Danish „	21	41,122
18	Dutch „	69	142,100
33	French „	202	294,461
137	German „	790	1,246,053
3	Italian „	12	31,704
111	Japanese „	534	1,126,517
59	Norwegian „	290	265,728
2	Portuguese „	59	19,128
10	Russian „	13	30,912
3	Swedish „	11	12,970
20	United States Steamers	45	251,590
7	British Sailing Ships	9	19,431
1	United States „	1	72
Total 800		4,182	7,467,511

The figures relating to the import and export trade of the port, given in previous years, have, as pointed out annually, been based upon information which can only be characterised as unsatisfactory and the results as erroneous and misleading. As it is obvious that such returns have no value, they are discontinued in the form they have hitherto taken, but the aggregates of the reports received are shown, for purposes of comparison, in round numbers. These include imports of sugar and imports and exports of opium, of which accurate returns are rendered.

The aggregates show an increase of about 360,000 tons in imports, of about 191,000 tons in exports, and of about 518,000 tons in transit cargo.

The total reported import and transit trade of the port for 1907 amounted to 23,819 vessels of 11,512,223 tons carrying about 8,237,000 tons of cargo of which about 4,841,000 tons were discharged at Hong Kong.

Similarly, the export trade of the port was represented by 23,841 vessels of 11,520,668 tons, carrying about 3,049,000 tons of cargo, and shipping about 729,000 tons of bunker coal.

During the year 1907, 16,515 vessels of European and American construction of 20,311,400 tons (net register), reported having carried about 10,842,000 tons of cargo, as follows:—

	Tons.
Import cargo	4,366,000
Export cargo	2,355,000
Transit cargo	3,396,000
Bunker coal shipped	725,000
	10,842,000

One hundred and five thousand nine hundred and sixty-seven (105,967) emigrants left Hong Kong for various places during the year. Of these 78,576 were carried in British ships and 27,391 in foreign ships. The year 1907 has proved to be the record year in the history of the Colony for the numbers of emigrants shipped.

One hundred and forty-five thousand eight hundred and twenty-two (145,822) immigrants were reported as having been brought to Hong Kong from the several places to which they had emigrated, either from this Colony or from coast ports. This includes 905 returning from South Africa. Of the total number, 112,742 arrived in British ships and 33,080 in foreign ships.

The total revenue collected by the Harbour Department during the year was $348,300 (including $24,038 previously collected by the Registrar-General's Department for boat licences, the issuing of which was transferred to this department from the 1st January, 1907), as against $298,106 collected in the previous year, showing an increase of $50,193:—

	$
1. Light Dues	80,389.00
2. Licences and Internal Revenue...	116,122.40
3. Fees of Court and Office ...	151,746.30
4. Miscellaneous Receipts	42.40
Total	$348,300.10

(B.) INDUSTRIES.

During 1907 the price of refined sugars in the East still further declined, principally as a result of the lower cost of raw sugar, but also owing to the determined competition of Japanese refineries seeking to capture the local refineries' old established Chinese connections. The quantity of sugar refined in Hong Kong was however larger than for years past, and was disposed of in China and other markets, although at a loss in some instances, and on very small margins of profit in others. By the end of 1907 the strenuous competition from Japanese quarters had however, exhausted itself, and it is confidently expected by those best able to form an opinion that local industries will be able to maintain and improve their position.

The demand for yarn during 1907 was even more unsatisfactory than during the previous year, which was undoubtedly due to the failure of almost every yarn shop in the Colony. These failures threw a quantity of yarn on the market which had to be disposed of at a reduction of $20/25 per bale on the contract price. Owing to the large stocks on hand it was found necessary to decrease the output of the local cotton mill by reducing the number of spindles running, and during the last three months of the year "short time" was also resorted to.

Both exchange and the price of raw material have been in favour of the rope factory, enabling them to reduce their selling price to their customers to a lower limit than for some years. On the other hand the lower price induced a greater demand and the factory's turnover accordingly showed a fair increase.

No further additions have been made to the plant of the Cement Company, which with a good demand for cement has been kept continuously employed throughout the year.

The flour mills at Junk Bay were kept running continuously night and day, including many Sundays.

Four hundred and twenty-two (422) vessels of 1,001,001 tons and 112 launches, lighters, &c., were docked and repaired, compared with 449 vessels of 1,063,454 tons and 79 launches, lighters, &c., in 1906. One hundred and eleven (111) steam-launches and other vessels with an aggregate tonnage of 6,311 were built during the year.

A small new industry has recently been established in this Colony, *i.e.*, that pursued by the Wai San Knitting Co., Ltd., but the Company is still in its infancy.

Another recently established industry is carried on by the Imperial Brewing Co., Ltd. Large quantities of their products are being exported to the various ports in China. The capacity of the plant is 2,750,000 gallons per annum.

(C.) FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and many others in the New Territories are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(D.) FORESTRY, BOTANICAL SCIENCE, AND AGRICULTURE.

In Hong Kong fifty-four thousand two hundred and ninety-five (54,295) pits were dug and sown with pine seeds by the departmental staff. Thirty thousand pits were sown by contract with no result in the majority of cases. In the New Territories 111,156 pits were dug by contract and sown by the department; while 24,557 were planted by the department, and 8,000 by contract. One hundred and fifty-two shade trees were planted in streets in Kowloon, and 45 in streets in Hong Kong; while 265 trees were planted along the newly formed banks of May Road and Conduit Road. Six hundred and ninety-six bamboos were planted along roads at the Peak and elsewhere, while 92 hydrangeas and 102 azaleas were planted out on Crown land in various parts of the peak.

(E.) LAND GRANTS AND GENERAL VALUE OF LAND.

The amount received from sales of Crown Land was $161,459, being $154,274 less than the receipts for the previous year. This falling off may be attributed to the continued depression of business throughout the year and to general tightness of the money market. The principal items were for sites for a cigar factory in Kowloon and for a brewery at Lai Chi Kok in the New Territories, a lot at North Point, and land for an extension of the Standard Oil Company's new premises at Lai Chi Kok.

III.—LEGISLATION.

Sixteen Ordinances were passed during 1907, two of which, No. 9 of 1907 and No. 10 of 1907, afford facilities to certain foreign companies for carrying on their business in the Colony in the same manner as if they had been incorporated under the law of the Colony; whilst another, No. 6 of 1907, continued the incorporation granted under the Ordinance of 1866 of the leading local banking concern for a further period of 21 years and empowered it to increase its capital subject to certain conditions.

A Life Insurance Companies Ordinance (No. 11 of 1907) was passed in accordance with Imperial precedent, to secure the solvency and permanency of companies carrying on the business of life insurance in the Colony.

A Seditious Publications Ordinance (No. 15 of 1907) was enacted in order to prohibit the publication in the Colony of matter calculated to excite disorder, or to incite to crime, in China.

A Companies (Local Registers) Ordinance (No. 16 of 1907) was passed based on the Imperial Act of 1883 and makes provision for companies registered in the Colony but carrying on business elsewhere, to keep local registers of members.

IV.—EDUCATION.

The number of Government and Grant Schools, including Queen's College, is 79, of which 25 are Upper Grade Schools with a staff competent to give instruction in all the subjects of Standard VII. and 54 are Lower Grade Schools under purely native management. Generally speaking, the Upper Grade Schools are taught in English, and the Lower Grade Schools are taught in the vernacular.

The total number of pupils in average attendance at Government and Grant Schools was 5,924 against 5,496 in 1906. Of these, 2,144 were in Government and 3,780 in Grant Schools: 3,569 pupils received instruction in English, and 2,355 in the vernacular. The proportion of boys to girls was 3,761 to 2,163.

The revenue derived from school fees was $49,223, $30,442 of which was received from Queen's College.

The expenditure including that on Queen's College was $184,028, being 3·19 per cent. of the total expenditure of the Colony.

Hygiene has now become one of the regular subjects of study in all Government and Grant Schools, English and vernacular.

The manual on Hygiene issued to the English schools has been translated into Chinese and is in use in all the vernacular grant schools.

The annual competition for the challenge shield presented by Sir Matthew Nathan, K.C.M.G., took place in December. Seven teams entered for the competition. There was no competition in the advanced course this year.

Evening Continuation Classes opened in October, 1906, and were continued until the end of May, 1907, when they closed for the summer. Examinations were held at the end of the session, and certificates were granted to successful students.

In May a committee was appointed to inquire into the subject of instruction at the evening classes. A report was published in September with the result that the classes were reorganised and, under the title of the Hong Kong Technical Institute, reopened in October.

The object of the Institute is to afford facilities for a commercial and scientific training to students generally, and to enable those who have left school to continue their studies.

The following table shows the subjects taught at the Technical Institute, and the number of students who entered for each subject:—

Engineering Section.	Building Construction	28
	Field Surveying	21
	Machine Drawing	21
	Steam...	23
	Mechanics : Elementary	18
	Do. Advanced	12
	Mathematics : Elementary	9
	Do. Advanced	10
Commerce Section.	English : Junior	41
	Do. Senior	25
	French : Junior	23
	Do. Senior	9
	German : Junior	5
	Do. Senior	6
	Shorthand : Elementary	35
	Do. Advanced	9
	Book-keeping	19
Science Section.	Chemistry : Theoretical	14
	Do. Practical	12
	Physics : Elementary	10
	Do. Advanced	5
	Total	355

The total expenditure during the first session of the Technical Institute was $4,412; total receipts (students' fees) were $1,377.

The classes were attended for the most part by Chinese, but a considerable number of Europeans also attended. The students take a deep interest in their work and generally have made very great progress in their studies.

There is a well equipped chemical laboratory. The lecturers are for the most part officers belonging to the public works, education, and medical departments and Queen's College who receive fees for their lectures.

Visual Instruction.—Arrangements have now been made by which regular courses of lectures are delivered during the cool weather at the prominent Government and grant schools in the Colony, illustrated by the lanterns which were purchased in 1905.

Many schools which had no opportunity of taking the course when the lanterns first arrived took the course for the first time this year, and to them the sets of slides were quite new, but in the case of several schools the lectures covered the same ground as last year. It will be necessary to vary these lectures, which have again been full of interest to all concerned, next year by the addition of some new sets of slides, and the suggestion that they should illustrate emigrant life in Canada, Australia, and other parts of the Empire appears a very happy one.

V.—PUBLIC WORKS.

The principal public works in progress during the year, exclusive of the railway, were the Tytam Tuk Waterworks (1st section) and the Kowloon Waterworks, both of which have been described in previous reports. The former were practically completed and fair progress was made with the latter, which are now in such a forward state as to be fully capable of supplying the whole peninsula with water. The extension of the distribution system to the important villages of Sham Shui Po, Kowloon City, and Taikoktsui was completed and the substitution of mains of larger diameter for those originally laid at Kowloon Point was in progress to ensure an efficient supply of water for fire extinction purposes, the erection of large godowns being in progress there.

The new Law Courts and new Government Offices were still under construction, whilst the Public Mortuary near Yaumati and the Time Ball Tower on Blackhead's Hill, Kowloon, were completed. A new building to accommodate the Land Office at Tai Po, which had hitherto been housed in a temporary matshed structure, was in progress: a new market at Sai-Wan-Ho, near Shaukiwan, was practically completed: an extension of the staff quarters at the Government Civil Hospital was undertaken to afford accommodation for the nurses hitherto supported by the Nursing Institute; and a jinricksha shelter was erected close to the Star Ferry pier in Salisbury Road, Kowloon. As the construction of the railway involved the demolition of the slaughter house and cattle depôt at Hunghom, the erection of new slaughter houses and depôts was begun at Ma Tau Kok. Provision is made in the new establishments for considerable development beyond present requirements. The works of reconstruction of gullies and extension of nullah training were continued, $10,000 being spent on the former and over $23,500 on the latter. A large tank for flushing a portion of the sewerage system of the city was constructed at the junction of Water Street and Queen's Road West; the rifle ranges for the use of the Volunteer Reserve Association at the Peak and King's Park, Kowloon, were extended; a new service reservoir at West Point for supplying the high levels of the city was begun; a new cable reserve was established at North Point and the cables were transferred to it; an obelisk in memory of the French sailors lost in the typhoon of the 18th September, 1906, was erected; and the construction of a retaining wall behind Inland Lot 1,523 to obviate the risk of landslips which threatened to endanger the conduit conveying the water from Tytam to the city was completed.

The Mee Lun Lane Improvement Scheme was completed. Another section of Robinson Road, Kowloon, extending from Market Street to Waterloo Road was undertaken and the removal of the hill north of Yaumati Theatre was continued, the material being used for private reclamation work north of the Naval Coaling Depôt. The extensions of Conduit Road in easterly and westerly directions and of the road past Kowloon City mentioned last year were completed, and a further section of the latter road extending to its junction with the Chiu Lan Chu Road was undertaken. A new path, connecting Barker Road with May Road, as the extension of Conduit Road in an Easterly direction has been designated, was completed.

The extension and reconstruction of the Albany Filter Beds was continued, fair progress being made with the work.

The total amount expended on public works extraordinary, exclusive of advance accounts and deposits not available, was $784,320 and on works annually recurrent, $538,041. By the transfer of the item "typhoon and rainstorm damage" from the former head to the latter, the first-mentioned sum has been diminished by $106,659 whilst the last-mentioned has been correspondingly increased.

Good progress was made on the British section of the Hong Kong-Canton Railway the cost of which is being defrayed by a Loan.

During the year 1907 the re-alignment consequent on the detailed survey by the construction engineers was completed and work commenced over the whole length. The reclamation for a site for Kowloon station yard was started in June. The actual heading driving in Beacon Hill Tunnel may be said to have started on January 1st, 1907. During the year two thousand one hundred feet of heading was driven from both ends and from the shafts sunk at both the north and south sides and four hundred and sixty-five feet of tunnel fully lined. About two-thirds of the compressor plant was in working order, the headings not being far enough advanced to necessitate special ventilating plant. There was difficulty experienced at first in obtaining sufficient labour for work underground but towards the end of the year on the rates being raised slightly a large number of skilled mining coolies returned from South Africa flocked to the work.

Bridge building progressed steadily all through the year as well as earthwork and the minor tunnels, there being no very great difficulties to contend with except in one of the latter. A temporary metre gauge line was laid from the sea front at Lokloha to the north face, the shaft (278 feet) was completed, and a considerable number of houses for staff erected. The systematic issue of quinine to all rail employés resulted in a diminution of malarial fever.

The expenditure on the work during the year amounted to $2,314,915.

VI.—GOVERNMENT INSTITUTIONS.

(A.) Hospitals.

Government hospitals consist of the civil hospital, to which is attached an isolated maternity hospital, the Victoria hospital for women and children, the Kennedy Town infectious diseases hospital, and the hulk "*Hygeia*" used mainly for the treatment of small-pox.

The civil hospital contains 150 beds in 19 wards. 2,711 in-patients and 17,302 out-patients were treated during the year 1907. 243 cases of malarial fever were admitted as against 239 in 1906 and 267 in 1905. The maternity hospital contains 6 beds for Europeans and 4 for Asiatics. 87 confinements occurred during the year. The Victoria hospital at the Peak contains 41 beds. During 1907, 211 patients were under treatment. Kennedy Town hospital contains 26 beds. In 1907, 63 cases were treated, of which 16 were plague. On the "*Hygeia*" 167 cases were treated, of which 96 were small-pox.

(B.) LUNATIC ASYLUM.

The asylum is under the direction of the superintendent of the civil hospital. European and Chinese patients are separate, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 222 patients of all races were treated during 1907, and there were 13 deaths.

(C.) THE TUNG WAH HOSPITAL.

This hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution which takes the place of a poorhouse and hospital for Chinese sick and destitute. Various other services not appertaining to a hospital are performed by the Institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods and the number is steadily increasing. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation; is under the direct charge of a Chinese Resident Surgeon, paid by the Government; and is under the supervision of a Visiting Physician who is a member of the Medical Department.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the College of Medicine for Chinese, and the City Hall.

The Pó Leung Kuk is an institution, incorporated in 1893, presided over by the Registrar General and an annually-elected Committee of 12 Chinese gentlemen, for the protection of women and children. The inmates of the home receive daily instruction in elementary subjects and are allowed to earn pocket-money by needlework. During 1907, a total of 345 persons were admitted. Of these, 85 were released after enquiry, 5 were released under bond, 131 were placed in charge of their husbands, parents, or relations, 1 was placed in charge of the Japanese Consul, 1 in charge of the French Consul, 22 were sent to charitable institutions in China, 16 were sent to school, convent, or refuge, 12 were adopted, and 38 were married. Thirty-four persons remained in charge of the Society at the end of the year.

The Hong Kong College of Medicine was founded in 1887. The government of the college is vested in the Court, of which the rector of the college, who has always been a Government official, is president. 102 students have been enrolled up to the end of 1907, and of these 33 have become qualified licentiates and have obtained various posts under Government and elsewhere. The institution is of great value in spreading a knowledge of Western medical science among the Chinese; and in addition to the employment of certain of the licentiates in the public service and in the Chinese Dispensaries the senior students have frequently been made use of for various purposes during epidemics. A Government grant-in-aid of $2,500 is made to the college, to be used as honoraria to the lecturers, who are either Government officials or medical practitioners in local practice. Steps are at present being taken for the provision of adequate buildings for the purposes of the College, which has hitherto carried on its work in various lecture-rooms and laboratories placed at its disposal by hospitals and other institutions in different parts of the City.

The City Hall receives an annual grant of $1,200 from Government. It contains a reference and circulating library and museum.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 11,540, being an increase of 396 or 3·55 per cent. as compared with 1906. In the division of these cases into serious and minor offences there is a decrease in the former as compared with the previous year of 27 cases or ·81 per cent.

The number of serious offences reported was 297 below the average of the quinquennial period commencing with the year 1903.

The number of minor offences reported shows an increase of 423 as compared with 1906.

The number of minor offences reported was 385 above the average of the quinquennial period.

The total number of persons committed to Victoria Gaol was 5,877, as compared with 5,799 in 1906, but of these only 2,460 were committed for criminal offences, against 2,575 in 1906. Of committals for non-criminal offences there were 84 less under the Prepared Opium Ordinance and 44 less for infringement of Sanitary By-laws.

The daily average of prisoners confined in the Gaol was 502, the average for 1906 being 518 and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was ·144, as compared with

·161, the average percentage for the last ten years. The prison discipline was satisfactory, the average of punishments per prisoner being 1·50, as compared with 1·21 in 1906 and 1·47 in 1905.

The remunerative labour carried on in the gaol consists of printing, book-binding, washing, carpentry, boot-making, net-making, painting, and white-washing, mat-making, tailoring, oakum-picking, &c., the profit on the work done being $37,434, as against $34,495 in 1906.

The total strength of the police force for 1907 was, Europeans 135, Indians 410, Chinese 503, making a total of 1,048, as compared with 1,047 in 1906 exclusive in each case of the five superior officers and a staff of clerks and coolies. These figures include police paid for by the railway, private firms, and other Government departments. Of this force the District Officer and 13 Europeans, 101 Indians, and 45 Chinese were stationed in the New Territories during the year.

The force of District Watchmen, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the city. They are placed on police beats and are supervised by the European police on section patrol.

IX.—VITAL STATISTICS.

(A.) POPULATION.

The population of the Colony according to the census taken in 1901 was 283,975, while at the census taken in 1906 it was 301,967 exclusive of the New Territories, New Kowloon, and the army and navy establishments. The estimated population at the middle of the year under review was 414,308, as follows:—

Non-Chinese Civil Community		12,700
Chinese Population—		
Kong Kong	192,400	
Kowloon	71,950	
Floating Population	43,530	
Mercantile Marine	2,700	
		310,580
Army (average strength)	3,920	
Navy (average strength)	2,157	
		6,077
New Territories (exclusive of Kowloon)		85,011
Total		414,368

At the census taken in 1906 the average strength of the navy present in the Colony was 4,698.

(B.) PUBLIC HEALTH AND SANITATION.

During the year under review considerable progress has been made in rendering existing domestic buildings rat proof as a preventive of plague; 370 ground surfaces of houses have been repaired, and 1,201 buildings have had rat-runs filled up with cement. In addition 44 basements illegally inhabited have been vacated.

New buildings (domestic) to the number of 142 were erected during the year and in these the effect of the present ordinance is seen in the increased amount of open space about the houses, which the law requires. Scavenging lanes which have to be provided in the rear of new houses also increase the open space about them and tend to reduce surface crowding.

During the year there were 198 deaths from plague, compared with 842 in 1906 and 287 in 1905.

There were 1,825 deaths from respiratory diseases amongst the Chinese; 655 of these deaths were due to phthisis, a percentage of 9·6 of the total deaths amongst that community.

Beri-beri caused 562 deaths—a high figure.

The deaths from malaria were 579, as against 448 in 1906 and 287 in 1905, an increase which it is hoped will only be temporary. The average number of deaths from this disease has fallen from 526 in the quinquennium 1898 to 1902 to 383 in the quinquennium 1903-1907. Military returns of admissions to hospital for malaria show a marked reduction in the incidence of this disease, as will be seen from the subjoined table:—

Admissions for Malaria: European Troops.

Year.	Strength.	Admissions.	Deaths.	Ratio per 1,000.
1898	1,569	595	10	379·3
1899	1,643	829	5	504·6
1900	1,484	629	4	423·8
1901	1,673	1,010	4	603·7
1902	1,381	1,523	6	1,102·8
1903	1,220	937	2	768·0
1904	1.426	390	1	273·5
1905	1,370	348	0	254·0
1906	1,525	480	4	314·75
1907	1,461	287	0	196·00

(C.) CLIMATE.

The average monthly temperature throughout the year was 72·2° F., as compared with 71·8° F. in 1906 and 72·0° F. during the ten preceding years. The maximum monthly temperature was attained in July, when it reached 87·1° F., and the minimum monthly temperature was recorded in February, when it was 55·2° F. The highest recorded temperature during the year was 91·6° F. on the 29th August, and the lowest 45·0° F. on the 31st January.

The total rainfall for the year was 93·54 inches, as compared with an average of 77·96 inches during the past ten years. The wettest month was September, with 19·46 inches, the driest, February, with only 0·16 inch. The greatest amount of rain which fell on any one day was 5·530 inches on the 15th September, while no rain fell on 215 days of the year. The relative humidity of the atmosphere throughout the year was 77 per cent., as compared with an average of 77 per cent. during the past 10 years. The average daily amount of sunshine was 5·2 hours, being 46 per cent. of the possible duration.

X.—POSTAL SERVICE.

The total receipts paid into the Treasury in 1907 by the Postal Department amounted to $586,375 from which sum $140,954 was transferred to other heads of General Revenue under which fees and duties are paid in stamps, which are now sold exclusively by the Post Office, leaving the sum of $445,420 as revenue of the Postal Service. The total expenditure amounted to $366,452, which being deducted from the revenue of $445,420 leaves a profit of $78,968.

A direct exchange of Money Orders with Kiaochau came into force on 1st July.

A new Parcel Post arrangement with Japan came into operation on 1st October.

The Postal Convention of Rome, which was signed on 26th May, 1906, came into operation on 1st October, 1907; the principal changes introduced being the raising of the unit of weight of letters from ½ oz. to 1 oz. in the case of letters posted in Hong Kong and Liu Kung Tau and from ½ oz. (14·17325 grammes) to 20 grammes at the other Agencies—and the exchange of International Reply Coupons with the principal countries included in the Postal Union.

The Tientsin Agency availed of the opportunity to send direct mails to Europe overland *viâ* Harbin from 17th October.

XI.—MILITARY FORCES AND EXPENDITURE.

(A.) Regular Forces.

The following return shows the average number and composition of the forces employed in the Colony during 1907:—

Corps.	Europeans.		Indians.		Chinese.	
	Officers.	W. O.'s, N. C. O.'s & Men.	Native Officers.	W. O.'s, N. C. O.'s, & Men.	N. C. O.'s & Men.	Totals.
General Staff (Officers only) ...	5	—	—	—	—	5
Garrison Staff (W. O., N. C. Officers only).	—	5	—	—	—	5
Royal Garrison Artillery	27	633	—	—	—	660
Royal Engineers	12	259	—	—	55	326
Army Service Corps	4	28	—	—	—	32
Royal Army Medical Corps ...	8	43	—	—	—	51
A. O. Department and Corps ...	6	30	—	—	—	36
A. P. Department and Corps ...	3	8	—	—	—	11
Hong Kong & Singapore Bn. R.G.A.	11	7	7	435	—	460
3rd Middlesex Regiment	16	425	—	—	—	441
119th Infantry	10	—	15	748	—	773
129th (D.C.O.) Baluchis	11	—	14	734	—	759
Indian Subordinate Medical Department.	—	—	1	4	—	5
Total	113	1,438	37	1,921	55	3,564

(B.) Colonial Contribution.

The Colony contributed $1,214,340.05 (being the statutory contribution of 20 per cent. of the Revenue) towards the cost of the maintenance of the Regular Forces in the Colony including Barrack Service and Defence Works.

(C.) Volunteer Corps.

The total establishment of the corps is 443 of all ranks. The strength on the 31st December, 1907, was 289, made up as follows:—Staff 7; two Garrison Artillery Companies, 199; one Engineer Company, 45; Troop 38.

The members of the Corps are now all armed with the new M.L.E. short rifle and the latest pattern equipment.

The period for the annual Camp of Instruction was again 16 days; it was held in October, 1907, and was well attended.

The Mounted Troop Camp was held at Fan Ling in the New Territories. The Camp took place during the Christmas holidays. Much useful work was done.

The Hong Kong Volunteer Reserve Association numbered two hundred and twenty-eight members at the close of the year, a decrease of 23 members as compared with 1906.

Members of this Association, who must be over 35 years of age, are afforded opportunity to make themselves proficient in rifle shooting, and undertake to enrol themselves under the Volunteer Ordinance in the event of hostilities.

A small Cadet Corps was commenced in May, 1906, with boys from the Victoria British School; there are now 18 in the school and 4 others. The Cadets are instructed in squad drill and semaphore signalling. They attended Camp, and many are already very efficient signallers.

The new headquarter building was opened in December, 1906, and is already very popular. A well equipped gymnasium has been installed, and classes are held regularly. The cost of the building has been entirely defrayed and no debt remains.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $45,253, compared with $47,351 in 1906.

XII.—GENERAL OBSERVATIONS.

The year was characterised by continued severe depression in trade.

The Colony appears to have recovered from the over-speculation indulged in in anticipation of the conclusion of the war between Russia and Japan, and her trade has resumed a healthier condition, though the volume is still restricted. The large stocks accumulated during the speculative period have taken a long time to work off, and fresh imports have been small, because for various reasons, one of which was caution induced by previous over-speculation, China has imported a smaller quantity of merchandise.

The assessment made in July for the year 1907-8 showed that the rateable value for the whole Colony has decreased by 2·52 per cent. In the Hill District, Shaukiwan, the Hong Kong villages, and in Kowloon except in the important District of Yaumati, the assessment showed an increase ranging from 1·07 per cent. to 11·76 per cent. But in the City of Victoria a decrease of 3·42 per cent. and in Yaumati a decrease of 5·65 per cent. were shown. In New Kowloon a remarkable increase from a rateable value of $38,930 to one of $61,835, or an increase of 58·83 per cent., was shown.

In the New Territories continued progress has been observable in the making of several roads by the private enterprise of villagers, and by the erection of new houses. The Crown Rent (Land Tax) was paid with an alacrity that was almost inconvenient; and there was a marked decrease in crime in spite of the large numbers of coolies employed on the Railway Works.

The loss and inconvenience caused by the depreciation of the subsidiary currency by the over-issue of small coins by the Mint in Canton continued.

The Hong Kong Government adopted the expedient of withdrawing from circulation all its subsidiary coin received as revenue, and succeeded in inducing the authorities at Canton to temporarily suspend the coining of small coins at the Mint at Canton. A Committee was appointed to consider the causes of the depreciation of the subsidiary coinage of the Colony and to advise what steps could be taken to rehabilitate it. As a result of the enquiry the Government addressed strong representations through the proper channels to the Chinese authorities both at Peking and Canton urging the suspension of the coinage of small coins at the Canton Mint until the coins had again reached par. No definite reply had been received to these representations at the close of the year.

The Committee appointed in 1906 to collect funds and administer relief to the sufferers by the disastrous typhoon of 18th September, 1906, completed their labours early in the year and reported that they had collected $279,903, all but $11,000 of which was contributed by residents in the Colony and by firms doing business with it. Of this sum $198,002 were spent in replacing or repairing 1,601 cargo boats, junks, and other craft lost or damaged, while $46,668 were spent on the relief of destitutes (including 205 women and children) and the recovery and burial of dead. The balance of $33,768 has been placed in the custody of the Government as a fund for relief in similar circumstances. Thirty thousand dollars were also contributed by the Chinese Government to the Tung Wa Hospital and have been set apart by that institution to serve as a similar fund. A further sum of $106,659 was spent during the year out of Revenue in repairs to Government Works and Buildings caused by the typhoon of 18th September, 1906. In September a very heavy rain-storm caused considerable damage to the Kowloon catchwater and to other Government Works.

The Commission which had been appointed in the previous year to enquire into the administration of the sanitary laws and the existence of corruption in the Sanitary Department issued their report in April. The Commissioners found that widespread corruption existed among the subordinate Sanitary Staff, and on the evidence furnished by the Commissioners several Sanitary Inspectors were tried by the Executive Council, suspended, and dismissed. Much of the dissatisfaction with the administration of the Public Health Ordinance was removed by the amendment of a section dealing with open spaces in the rear of existing houses, and by a free use of the power of exemption from the provisions of the law relating to cubicles in Chinese tenement houses. A Committee was appointed to enquire into this subject and their recommendations with several suggestions made by the Commissioners and others are being embodied in amendments of the Public Health Ordinance. In the result it is anticipated that, thanks to the ungrudging labours of the Commissioners, the Sanitary Department will in future be more honestly served while many improvements will be effected in the Sanitary Law and the method of its application.

In consequence of the high rate of exchange, which reached more than 2*s*. 3*d*. to the dollar, the Secretary of State for the Colonies, with the concurrence of unofficial members of the Legislative Council, allowed the sterling salaries of Civil Servants to be paid at the rate of 2*s*. to the dollar when the rate of exchange is above that figure and at the rate of the day when it is below it.

During the year the claim for compensation on account of the lives lost in the piracy of the S.S. *Sianam*, referred to in the Report of last year, was settled; and the Provincial authorities have now adopted measures which it is hoped will be effective in the suppression of piracy in the Delta and on the West River.

Mr. F. Grove, Chief Resident Engineer, and a considerable staff were at work on the Chinese section of the Hong Kong-Canton Railway during the year. The survey was completed and steps were taken for beginning construction early in the current year.

His Excellency Cheng Yan-tsun succeeded His Excellency Chau Fuk as Governor-General of the Two Kwang Provinces.

Mr. H. H. J. Gompertz acted as Attorney-General until the arrival of Mr. W. Rees Davies in July.

Mr. E. Osborne was appointed a member of the Legislative Council *vice* Mr. G. Stewart who left the Colony, and Mr. H. Keswick took the place of Mr. W. J. Gresson absent on leave.

H. R. H. the Duke of Connaught accompanied by H. R. H. the Duchess of Connaught and the princess Patricia of Connaught visited the Colony early in the year. His Royal Highness unveiled statues of His Majesty the King-Emperor and of H. R. H. the Prince of Wales which had been presented to the Colony by Sir Paul Chater, C.M.G. and Mr. J. J. Bell-Irving respectively.

Their Royal Highnesses attended an entertainment given in their honour by the Chinese community at the Ko Shing Theatre.

Sir Matthew Nathan, K.C.M.G., Governor, left the Colony on the 20th April to take up the governorship of Natal, and the Colonial Secretary (Mr. F. H. May, C.M.G.) administered the Government until my arrival on the 29th July, 1907.

I have, &c.,
F. D. LUGARD,
Governor, &c.

The Right Honourable
The Earl of Crewe,
His Majesty's Principal Secretary of State
for the Colonies.
&c., &c., &c.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	Colony, &c.	Year.
539	Leeward Islands	1906–1907
540	Straits Settlements	1906
541	Turks and Caicos Islands	„
542	Somaliland Protectorate	1906–1907
543	Bahamas...	„
544	Barbados...	„
545	Trinidad and Tobago	„
546	Grenada	„
547	Mauritius	1906
548	Fiji	„
549	Jamaica	1906–1907
550	British Guiana	„
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552	British Honduras	1906
553	St. Lucia...	1906–1907
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556	Basutoland	„
557	East Africa Protectorate	„
558	Uganda Protectorate	„
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562	Falkland Islands	„
563	Gibraltar...	„
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565	Colonial Survey Committee	1907–1908
566	Northern Territories of the Gold Coast	1907
567	Seychelles	„
568	Bermuda...	„
569	Weihaiwei	„

MISCELLANEOUS.

No.	Colony, &c.	Subject.
45	East Africa Protectorate	Geology.
46	Northern Nigeria	Mineral Survey, 1904–5.
47	Do. do.	Do. do. 1905–6.
48	Nyasaland Protectorate	Do.
49	East Africa Protectorate	Veterinary Department.
50	British Colonies	Cultivation of Cotton.
51	Southern Nigeria	Forest Administration.
52	South Africa	Native Education.
53	East Africa Protectorate	Veterinary Bacteriological Work, 1907–8.

COLONIAL REPORTS—ANNUAL.

No. 617.

HONG KONG.

REPORT FOR 1908.

(For Report for 1907, *see* No. 570.)

Presented to both Houses of Parliament by Command of His Majesty.
October, 1909.

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No. 617.

HONG KONG.

(For Report for 1907, *see* No. 570.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
27th August, 1909.

MY LORD,

I HAVE the honour to submit, for your Lordship's information, the following general report on the annual Blue Book for the year 1908.

(14458—2.) Wt. 26122—322. 1125. 11/09. D & S.

I.—FINANCES.

The revenue for the year, exclusive of land sales, amounted to $6,034,849, or $407,608 less than the previous year. Land sales amounted to $69,358, or $86,624 less than in 1907. The total revenue from all sources was therefore $6,104,207, or $498,073 less than in the previous year, and $123,683 less than the estimate.

Light dues, fees of court, post office receipts, and miscellaneous receipts brought in together $150,378 more than was estimated. The receipts under the remaining heads of revenue were altogather $274,061 less than were anticipated when the Estimates were drawn up, of which the deficit on land sales accounted for $230,642.

The expenditure for the year was $5,586,138, exclusive of public works extraordinary; inclusive of that item, but exclusive of expenditure on Railway Construction (Loan Account) it was $6,573,341, or $816,138 more than the total expenditure for 1907.

The principal cause of this increase of expenditure in spite of a falling revenue, was the loss due to the fall in exchange value of the dollar. The Estimates of 1907 had been calculated on a basis of 2*s*. for sterling salaries, and 2*s*. 1*d*. for other items, while the Estimates for 1908 were calculated at 1*s*. 9*d*. only. The expenditure of the year exceeded the estimate by $394,810, due, *inter alia*, to a still further fall in exchange, to heavy damages caused by typhoons, and to the purchase of a dredger for the construction of a refuge for small craft.

The decrease of $123,683 in the revenue, and the excess of $394,810 in expenditure, make a total shortage of $518,493, to meet which there was an expected surplus of $49,359 only, leaving a deficit on the year's working, to be charged to reserves, of $469,134.

The following table shows the total revenue and expenditure for the five years 1904-8:—

—	1904.	1905.	1906.	1907.	1908.
	$	$	$	$	$
Revenue	6,809,047	6,918,403	7,035,011	6,602,280	6,104,207
Expenditure ...	6,376,235	6,951,275	6,832,610	5,757,203	6,573,341
Surplus	432,812	—	202,401	845,076	—
Deficit	—	32,871	—	—	469,134

At the end of the year 1908, the assets of the Colony amounted to $506,437. The total liabilities were $789,532, so that the balance of liabilities over assets amounted to $283,095. Deducting this sum from the reimbursement due by Railway Construction Account the balance of Assets (General Account) was $1,073,041, a decrease of $460,676 as compared with the previous year, due to the deficit in the year's working.

A loan, consisting of inscribed stock at 3½ per cent. interest, £341,799 was incurred in 1893 for Praya Reclamation; Central Market; Water, Drainage, and Sewerage Works, &c., to be paid off on 15th April, 1943.

A second loan, consisting of inscribed stock, £1,143,933 at 3½ per cent., was raised to cover a loan to the Viceroy of Wuchang of £1,100,000. The Viceroy in accordance with the terms of the loan had, up to the end of 1908, repaid £330,000 which was placed to the credit of a special account for construction of the British section of the Kowloon-Canton Railway.

The amount paid into the Joint Sinking Fund with accrued interest reached £74,674 14*s*. 8*d*. on the 31st of December, 1908.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

The total of the shipping entering and clearing in the Colony during the year 1908 amounted to 532,112 ships of 34,615,241 tons, which, compared with the figures for 1907, show an increase of 24,478 ships and a decrease of 1,413,069 tons.

Of this total 45,437 ships of 22,306,037 tons were engaged in foreign trade, and were distributed as follows:—

	1908.		1907.
	Numbers. Per cent.	Tonnage. Per cent.	Tonnage. Per cent.
British ocean vessels represented.	8·3	33·7	31·4
Foreign ocean vessels represented.	9·2	33·2	33·5
British river steamers represented.	13·8	19·2	20·1
Foreign river steamers represented.	2·9	3·3	3·2
Steamships not exceeding 60 tons.	8·9	0·8	0·3
Trading junks	56·9	9·8	11·5
	100·0	100·0	100·0

40,951 vessels of 1,848,522 tons were engaged in local trade and were distributed thus:—

	1908.		1907.
	Numbers. Per cent.	Tonnage. Per cent.	Tonnage. Per cent.
Steamships not exceeding 60 tons.	91·58	84·98	86·31
Junks	8·42	15·02	13·69
	100·00	100·00	100·00

Seven thousand seven hundred and fifty (7,750) steamers, eleven (11) sailing ships, and two thousand and thirty (2,030) steamships not exceeding 60 tons, in foreign trade, entered during the year, giving a daily average entry of 26·8, as compared with 24·8 in 1907.

The average tonnage of ocean vessels visiting the port has again increased, from 2,325·3 tons to 2,448·6 tons. That of British vessels has increased from 2,552·2 tons to 2,593·06 tons, while that of foreigners has increased from 2,136·8 tons to 2,309·9 tons.

In this connection it is interesting to note that during the past 20 years the average tonnage of ocean vessels visiting the Colony has risen from 1,186·9 tons to 2,448·6 tons.

The average tonnage of river steamers entered during 1908 was 665·5 tons, as against 661 tons in 1907. British river steamers have increased in average tonnage from 678 tons to 686·5 tons, while foreigners have again decreased from 567 tons to 565·2 tons.

A comparison between the years 1907 and 1908 is given in the following table:—

Class of Vessel.	1907.		1908.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British ocean-going	3,756	7,216,169	3,869	7,505,270	113	289,101	—	—
Foreign ocean-going	4,621	7,720,875	4,132	7,397,836	—	—	489	323,039
British river steamers	6,828	4,630,361	6,246	4,287,482	—	—	582	342,882
Foreign river steamers.	1,310	743,992	1,297	733,065	—	—	13	10,927
Steamships under 60 tons (foreign trade).	1,581	70,021	4,060	181.142	2,479	111,121	—	—
Junks in foreign trade	29,564	2,651,470	25,833	2,201,242	—	—	3,731	450,228
Total	47,660	23,032,891	45,437	22,306,037	2,592	400,222	4,815	1,127,076
Steam launches plying in waters of the Colony.	419,202	11,216,532	445,724	10,460,682	26,522	—	—	755,850
Junks in local trade..	*40,772	*1,778,887	†40,951	†1,848,522	179	69,635	—	—
Grand total ..	507,634	36,028,310	532,112	34,615,241	29,293	469,857	4,815	1,882,926
	Nett				24,478	—	—	1,413,069

* Including 18,090 conservancy and dust boats of 820,958 tons.
† Including 16,808 conservancy and dust boats of 862,256 tons.

There is an increase in British ocean shipping, entered and cleared during the year, of 113 ships of 289,101 tons (59=26,698 increase in 1907). This increase appears to indicate a very considerable revival of trade during the last quarter of the year after the general depression, for in each of the first three quarters decreases were shown as compared with the corresponding periods of 1907.

British river steamers are shown to have decreased by 582 entries and clearances with a collective tonnage of 342,882 tons. This decrease is due to the loss of two large, regularly-running steamers, the "Powan" and "Ying King," and the withdrawal of a third, the "Hoi Sang," from the run during the year.

Foreign ocean vessels, which increased by 334 ships of 627,380 tons in 1907, due to the resumption of the Japanese carrying trade, have decreased by 489 ships of 323,039 tons. This decrease is general, but is most noticeable under the Norwegian, Japanese, and German flags, and may undoubtedly be attributed to the general trade depression throughout the world.

Foreign river steamers show a falling off of 13 ships of 10,927 tons, which is due to the laying up of several of these vessels after the typhoon of July 27, in which they were damaged. Had it not been for this, the number and tonnage would have been considerably in excess of those for 1907. The increase in 1907 was 238 ships of 76,075 tons.

The typhoon, combined with the effects of the trade depression, which certainly has reacted upon junk traffic as it has upon shipping, may also be held responsible for the decrease in junks in foreign trade.

The increase shown in steamships under 60 tons is due to the inclusion of unlicensed privately-owned steam-launches, which have not previously figured in the returns.

The actual number of individual ocean vessels of European construction entering during 1908 was 745, being 365 British and 380 foreign. The figures in 1907 were, respectively, 800, 362, and 438.

These 745 ships aggregated 1,824,237 tons. They entered 3,991 times and gave a collective tonnage of 7,452,498 tons. Thus, compared with 1907, 55 fewer ships, of 36,008 less tons, entered 191 fewer times, and gave a collective tonnage decreased by 15,013 tons.

Thus—

Flag.		Steamers.		No. of Times entered.		Total Tonnage.	
		1907.	1908.	1907.	1908.	1907.	1908.
British	Steamers ...	355	358	1,867	1,923	3,586,510	3,730,927
	Sailing ...	7	7	9	10	19,431	21,697
Austrian		9	9	30	25	106,523	97,789
Belgian		1	1	1	1	2,903	2,903
Chinese		20	16	214	229	267,789	291,416
Corean		2	—	14	—	21,298	—
Danish		9	6	21	15	41,122	34,211
Dutch		18	15	69	97	142,100	201,014
French		33	39	202	169	294,461	289,222
German		137	129	790	745	1,246,053	1,188,100
Italian		3	4	12	12	31,704	31,400
Japanese		111	93	534	434	1,126,517	1,049,540
Norwegian		59	39	290	181	265,728	192,278
Portuguese		2	5	59	87	19,128	23,487
Russian		10	7	13	13	30,912	34,326
Swedish		3	3	11	11	12,970	18,099
United States	Steamers ...	20	13	45	38	251,590	245,280
	Sailing ...	1	1	1	1	72	809
Total		800	745	4,182	3,991	7,467,511	7,452,498

It may not be out of place to draw a comparison here between these figures and those of 20 years ago. In 1888, 2,614 British ships, of 3,265,751 tons, entered the port, against 10,115 ships, of 11,792,752 tons, in 1908. For foreign ships the figures are in 1888, 1,206 ships, of 1,252,862 tons, and in 1908, 5,429 ships, of 8,130,901 tons. These figures are those for ocean and river steamers, which were not distinguished in 1888, and ocean-going sailing ships (not junks).

Since Hong Kong is a free port no accurate returns based on Customs entries can be given of the exports, imports, and goods in transit.

There are, however, certain items of cargo dealt with in the Colony, of which, either from their nature and the circumstances under which they are imported, or from the fact that they are required by law to be specially reported, substantially accurate returns can be given. These items are coal, kerosene oil (which includes all products of petroleum), opium, morphine, compounds of opium, and sugar.

1,018,753 tons of coal were imported during the year. This shows a negligible increase of 13,886 tons (1·3 per cent.) over the imports during 1907.

Of bulk oil 61,818 tons arrived, an increase of 17,938 tons, or 40·8 per cent. This appears to have no special significance, but to be entirely due to the cheap freights ruling and to the installation by the Standard Oil Company of oil tanks at Lai-chi-kok, which required filling.

40,018 tons of case oil arrived, being an increase of 3,289, or 8·9 per cent. over the 1907 figures. Here again the cheap freights were taken advantage of to fill up stocks.

Liquid fuel, which has increased from 3,272 tons in 1907 to 13,832 tons in 1908, was probably affected by the same causes as were bulk and case oil, in addition to which there has been an increased demand for this product owing to more steamers using liquid fuel having visited the Colony during the year.

Although, as has been said, no reliable figures can be given for general cargo, it would appear from returns received that there has been a considerable decline in the imports of rice and flour. The falling off in rice is due to the exceptional crop in northern and central China, as a result of which, prices at Shanghai and the Yangtze ports were lower than in Siam and Annam, and the imports from those countries declined in consequence. It is also stated that the rice merchants of Bangkok instituted a boycott against the Norddeutscher Lloyd steamers (late Scottish Oriental) which monopolise the carrying trade between that port and Hong Kong. The rice trade from the south having now reverted to its usual conditions, I see no reason to doubt that this year will see it restored to its former channels.

Flour shows a large decrease, from 147,000 to 91,000 tons, which appears to be due to the fact that the Colony is ceasing to be the distributing centre for this commodity. Shipments are now made direct from ports on the Pacific Coast of North America to

Shanghai, Amoy, Singapore, &c., instead of transhipping here, as heretofore.

There is however a possibility that the Hong Kong Milling Company being in liquidation some small recrudescence in this branch of trade may occur.

The total reported imports during the year amounted to 4,170,000 tons, as against 4,366,000 tons in 1907, a decrease of 4·4 per cent. Exports also show a decrease from 2,354,000 tons to 2,103,000 tons, or 10·7 per cent. Transit cargo declined from 3,396,000 to 3,373,000 tons, or 0·7 per cent.

Seventy-one thousand and eighty-one (71,081) emigrants left Hong Kong for various places during the year. Of these 53,118 were carried in British ships and 17,963 in foreign ships. These figures show a decrease of 34,886 emigrants, or 32·9 per cent., compared with those for 1907.

It is difficult to account for this large decrease, but there were probably several contributing factors, such as the general depression in trade and consequent decreased demand for labour, and the quarantine restrictions placed upon vessels from the Colony to other ports, which probably had a great effect. But the chief causes undoubtedly were:—

1. The cessation of assisted emigrants to Banka and Billiton. This emigration commenced in 1907, and served to largely swell the figures for that year. The demand for labour in those islands was not very large, and all the plantations there were fully manned before the beginning of 1908.
2. The West River floods checked recruiting during the first six months of the year.
3. There was a considerable demand for labour on the several railways under construction in China, which restricted the recruiting area.

One hundred and fifty-seven thousand eight hundred and nine (157,809) returning emigrants were brought to Hong Kong from the several places to which they had emigrated, either from this Colony or from coast ports. This includes 106 returning from South Africa. Of the total number 116,094 arrived in British ships and 41,715 in foreign ships.

INDUSTRIES.

Sugar Refining Industry.—The year 1908 was more favourable for the sugar refining industry of the Colony than 1907 owing to the curtailment of supplies of Java white sugars and of Japanese refined in the China market. As a consequence of this, prices advanced during the year, and the local refineries were able to market their sugars under improved conditions. European beets were conspicuous by their absence doubtless owing to the low silver rate of exchange for sterling remittances.

Yarn Trade.—The extreme depression during the two preceding years adversely affected the market during the beginning of 1908, and prices continued to rule below the parity of those at the producing centres. Later in the year the demand improved and prices rose steadily. Large sales were effected, leaving a fair margin of profit to importers, while the Chinese dealers did very well indeed on their purchases. Stocks became abnormally reduced, and the year closed with an improving tendency. In May last the local cotton mill found it advisable to resume full working, but the difficulty in procuring adequate labour prevented the company from taking full advantage of the improvement in demand. The bulk of the production was sold direct to Shanghai and the northern ports.

Rope-Manufacturing Industry.—The remarks made last year on the rope-manufacturing industry apply in some measures to the year 1908. Conditions have not altered much in either direction, prices have been reduced to customers, and there is a larger demand with increased output.

Cement Industry.—The conditions under which this industry has been carried on have been much the same as in 1907, and there has been a good demand throughout the year.

Hong Kong Milling Company, Limited.—The flour mills at Junk Bay were not running for the greater part of 1908.

Oriental Brewery, Limited.—A recently-established industry is that of the Oriental Brewery, Limited, at Lai-chi-kok. This brewery will shortly place its product on the market, and its capacity is about 100,000 barrels per annum.

Engineering and Shipbuilding.—This section of the Colony's industry was carried on under adverse circumstances. The great trade depression from which the local shipping suffered severely made its influence felt in this industry, and the amount of new construction turned out by the local companies was not very encouraging.

In regard to war vessels, the active operation of the floating docks at Tsingtau and at Olongapo in the Philippine Islands, installed by the German and United States Governments respectively, was responsible for the continuance of a very large falling off in the docking and repairing of foreign war vessels, the tonnages dealt with by the Hong Kong and Whampoa Dock for 1906, 1907, and 1908 being 64,318, 3,692, and 3,652 respectively, with apparently no prospect of future improvement. The tonnage of British war vessels docked was on a level with those prevailing during the year immediately preceding.

Work in the nature of large repairs to steamers was scarce during the earlier half of the year. The typhoon in July, however, contributed to a large extent towards the improvement experienced in this direction during the latter half.

During the year a large dock, built by Messrs. Butterfield and Swire at Quarry Bay, was opened. It is 787 feet long, 88 feet wide at the top of the entrance, and 81 feet 8 inches at the sill. There are 35 feet over the sill at ordinary high water. In addition to the dock there are three slipways, one of them about 950 feet long and 80 feet broad, capable of lifting vessels up to 3,000 tons weight.

The other two are about 900 feet long by 60 feet broad, and are capable of accommodating vessels up to 2,000 tons. There are also machine shops, boiler shops, a forge and smithy, a foundry, galvanising shop, saw-mill, and a wood-working department. The building yard is laid out for four big berths capable of taking on vessels up to 600 feet in length, and the machinery is adapted to dealing with this sort of work. The power is supplied by gas engines, and is transmitted throughout the yard electrically.

FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and many others in the New Territories are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

FORESTRY AND AGRICULTURE.

Forestry work has consisted (1) in the formation of 400 acres of pine plantations in continuation of the harbour belt now extending some seven miles from Lai-chi-kok towards Lyeemum, (2) the continuation of afforesting the catchment areas of Tytam, Pokfulam, and Kowloon reservoirs, (3) the replanting of felled areas at Aberdeen and Mount Kellett, (4) the extension of the avenues of shade trees in Kowloon, (5) the care of existing plantations.

The year was marked by exceptionally good crops of fruits, vegetables, and rice in the New Territories; especially may be mentioned the abundance and excellence of the output of pineapples, plums, pears, and peanuts.

The chief economic works other than the above have been the successful establishment of the rare and valuable nanmu or coffin-wood tree in our nurseries from seeds obtained from Szechuen, and the collection of information and materials relating to the trade of the Colony in vegetable products.

With a view to placing the botanical resources of the Botanical and Forestry Department as far as possible at the service of the mercantile community of Hong Kong, the Superintendent has been instructed to collect all possible information upon the vegetable products of the neighbourhood, or for which Hong Kong is an emporium. This information is to refer chiefly to the raw or partly-manufactured products exported from China, and include the locality of their production, quantity available, country to which exported, price at port of export, and in the markets to which they eventually go. Considerable progress has been made during the year with this scheme, and information with regard to a few of our more important vegetable products, such as China-root and Galangal, was collected.

A considerable amount of scientific work upon the flora of the Colony and neighbouring parts of China has been done in England and other countries with materials supplied by the Forestry Department.

LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount received from sales of Crown land and pier rights, after deducting expenses of the sales, was $69,358, a decrease of $92,101 on the previous year, and $218,481 less than the average amount received for each of the past five years. Of this amount $14,665 was received in respect of sales of pier rights and the right of extending existing piers; $7,078 was received in respect of sales of Crown land in the New Territories, and the balance from sales of new lots of Crown land and grants of extension to existing lots in the Island of Hong Kong and Old Kowloon.

The chief items were for an extension to a soy factory at West Point (inland lot No. 1,300), and for a renewal of the lease of the Dairy Farm Company's premises in Wyndham Street for a period of 75 years, the existing lease of which is about to expire.

The considerable decrease in revenue from sales of Crown land may be partly attributed to the fact that in the City of Victoria there is little available building land left, and partly to the fact that at the present time there is no great demand for new houses in the city and in Old Kowloon, a considerable number of Chinese shops and dwelling-houses being now unlet. The general depression in the land market, which commenced a few years ago, still continues, and capitalists who invested in land and buildings at the high prices ruling some ten years ago have suffered very considerable losses; in many cases properties have been sold by mortgagees at far less than the amount of their securities, while many other mortgagees are holding on awaiting a more favourable opportunity for realising their securities. There is, however, a very fair demand in the city for property at reduced prices. There appears to be no lack of money in the Colony, and a considerable number of transactions in land have taken place during the past year.

There have been a large number of sales of small lots of Crown land for native dwellings and industries in the New Territories, and the demand for these is likely to further increase, as the native population now realise the reasonable terms upon which Crown land can be obtained and the security of tenure afforded by holding under a long lease direct from the Crown.

Three areas of over 40 acres of land at Tai O in the Island of Lan Tao for use as salt pans were put up for auction on an 18 years' lease at the upset rental of $15 per acre per annum, and after considerable competition one lot of over 21 acres realised as much as $170 per acre per annum, which shows that salt pans in a good locality are apparently very remunerative undertakings. During the year a second area of one square mile in the New Territories was leased to Sir Paul Chater for 75 years for mining purposes.

III.—LEGISLATION.

Twenty-two Ordinances were passed during 1908, of which nine were amendment Ordinances. A Fire Insurance Companies Ordinance (No. 3) was passed to authorise the removal of fire insurance companies from the Register of Companies in certain cases. Ordinances were also passed to enable foreign corporations to acquire and hold land in the Colony (No. 7); to provide for the grant of brewery licences (No. 8); to empower a magistrate to hold a Small Debts Court in the New Territories (No. 22); to provide for the registration of chemists and druggists and to regulate the sale of poisons (No. 12); to regulate theatres and other places of public resort (more especially in regard to precautions against fire) (No. 18); and to transfer the Widows' and Orphans' Pension Fund and its management to the Government of Hong Kong (No. 15).

IV.—EDUCATION.

There are 73 Government and Grant Schools, the most important of which is Queen's College. Of these 23 are upper grade schools with a staff competent to give instruction in all subjects of the seventh standard and above. These latter schools have an average attendance of 3,992, and the medium of instruction in all of them, with the exception of one girls' school, is English. The 50 remaining schools are all lower grade. They comprise one school for British Indians where English and Urdu are taught; five Government and one Grant Anglo-Chinese schools; and 43 Grant Vernacular schools. The average attendance at all these lower grade schools is 2,186. The total average daily attendance at both grades of school is 6,178.

The revenue derived from school fees is $54,792 (of which $31,073 is from Queen's College), and is rapidly increasing. This is mainly to be accounted for by the increasing numbers of Chinese desirous of an English education.

Higher education is represented by the Technical Institute, where instruction is given in the evening in mathematics, machine drawing, building construction, field surveying, and allied subjects; in chemistry and physics; in the English and French languages, book-keeping, and shorthand. There is also a teachers' class, at which the junior Chinese masters of Government schools are expected to attend. The Institute is furnished with a well-equipped laboratory. The lecturers are chiefly Civil Servants recruited from the European staffs of Queen's College and the Public Works Department. These officers receive fees for their services.

Hong Kong is fortunate in including among its schools two limited to children of British parentage. Both these schools (one for boys, the other for girls) are under the Government. In 1908 the combined average attendance at them was 87. As might be expected, they have a strong patriotic bias; they are supporters of the Empire League, and the boys' school provides a small but efficient cadet corps.

V.—PUBLIC WORKS.

The principal public works in progress during the year, exclusive of the railway, were the Kowloon Waterworks and the Typhoon Refuge for small craft opposite Mongkoktsui. The former was completed with the exception of the contract for the main dam, &c., and a few trifling details, but, as mentioned in last year's report, the works are in such a forward state that the reservoir is fully capable of supplying the whole peninsula with water. Work on the Typhoon Refuge was begun by dredging a trench to form the base for the breakwater, the hopped dredger "St. Enoch" being purchased locally for this purpose. The Tytam Tuk Waterworks referred to in previous years' reports were fully completed.

The new Law Courts and new Government Offices were still under construction, whilst the following works were completed:—Land Office at Tai Po; market at Sai Wan Ho; extension of staff quarters at Government Civil Hospital for Nursing Institute; extension of Wanchai and Saiyingpun district schools; extension of Mount Gough police-station; animal depôts and slaughter-houses at Ma Tau Kok; four houses at Tai Po for the native clerical staff, and the service reservoir at West Point (750 feet level) for supplying the high levels of the city. The lease of One Tree Island to Messrs. Jardine, Matheson, and Company for the storage of dynamite having expired, it was decided to require this explosive to be stored in the Government Depôt on Green Island, and arrangements were made accordingly, a small building for the storage of detonators being erected. The works of reconstruction of gullies and extension of nullah training were continued, $10,000 being spent on the former and $18,150 on the latter.

The prolongation of Robinson Road, Kowloon, mentioned in last year's report, was completed, and a further section from Waterloo Road to near Soy Street was undertaken. The extension of the road past Kowloon City to its junction with the Chin Lan Chu Road was completed, and new roads from Kowloon City to Shatin Pass, and from Castle Peak Bay to Ping Shan were begun. Great improvements in the alignment and grading of several portions of the Shaukiwan Road adjoining the Taikoo Sugar Refinery and Shipyard were in progress, and a substantial improvement was made in the portion of Kennedy Road immediately west of the public laundries.

Works in progress included a new market at Kowloon Point, the deepening of Causeway Bay to enable small craft to gain access to all parts of the Typhoon Shelter at low water, a roof over Blake Pier, an extension of Government Offices for the accommodation of the Public Works Department, the raising of Des Vœux Road, Kowloon, on account of the railway reclamation, and several other works of smaller magnitude.

The extension and reconstruction of the Albany filter beds was continued, and good progress was made.

The total amount expended on Public Works Extraordinary was $1,000,935, and on Works Annually Recurrent $512,336.

The typhoon of July 27th caused great damage, and this together with repairs still being executed on account of the typhoon of September, 1906, formed a very heavy charge on the recurrent votes.

During the year 1908 considerable progress was made in the British section of the Kowloon-Canton Railway. About 40 per cent. of the reclamation for a site for Kowloon Station Yard was completed, and a very large amount of earthwork was done north of the Kowloon Hills.

About 3,500 feet of heading was driven in Beacon Hill Tunnel making a total of 5,600 feet out of 7,212 feet, and a total of 2,700 feet of tunnel was lined complete and an extra 700 feet excavated to full section ready for lining. The other four tunnels made good progress, the three short ones being almost completed. The larger one at Taipo had 572 feet of heading driven leaving 350 feet to complete.

Nearly all the bridges were completed with the exception of the iron-work which, however, is all in the Colony. Only three bridges remain on which no work has been done.

Indents have been sent home for rails, sleepers, and rolling stock.

Malaria, beri-beri, dysentery, and other diseases were much less prevalent among the railway employés, due to better organization.

The expenditure during the year was $3,372,832, making a total of $6,251,639 up to the end of 1908.

The large amount of rock-blasting with high explosives, especially in the long tunnel, where moreover drilling is carried on with very powerful compressed air rock-drills, coupled with the proverbial carelessness of the Chinese coolie, would lead to the expectation that a large number of accidents would occur among the 3,000 odd coolies employed on the works. It is, therefore, very satisfactory to record the fact that from the inception of the railway in 1906 to the end of the year 1908 there were only 19 fatal accidents (1 in 1906, 9 in 1907, and 9 in 1908) and 13 other serious ones (8 in 1907 and 5 in 1908).

The Chinese section of the Kowloon-Canton Railway made considerable progress during 1908 under the able direction of Mr. Grove, C.R.E., who has stated that there is every prospect of opening a length from Canton of 30 miles by April, 1910, and anticipates that he will be able to run through trains for traffic with the British section on or before July 1st, 1911. Negotiations carried on at Peking for a Construction Loan for the northern portion of the Canton-Hankow line had not resulted in any loan agreement by the end of the year. The southern section from Canton northwards made some progress under a Chinese chief engineer, and with Chinese capital. By the end of the year about 40 miles were open to traffic.

VI.—GOVERNMENT INSTITUTIONS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, the Kennedy Town Infectious Diseases Hospital, and the hulk "Hygeia" used mainly for the treatment of small-pox cases.

The Civil Hospital contains 150 beds in 29 wards. 2,527 in-patients and 18,207 out-patients were treated during the year 1908. 279 cases of malarial fever were admitted, as against 243 in 1907 and 239 in 1906. The Maternity Hospital contains 6 beds for Europeans and 4 for Asiatics. 60 confinements occurred during the year. The Victoria Hospital at the Peak contains 41 beds. During 1908 234 patients were under treatment. Kennedy Town Hospital contains 26 beds. In 1908 59 cases were treated, of which 3 were plague. On the "Hygeia" 150 cases were treated, of which 86 were small-pox.

The Lunatic Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 212 patients of all races were treated during 1908, and there were 11 deaths.

The Tung Wah Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation, and is under the supervision of a Visiting Physician who is a member of the Medical Department, whilst a Chinese Surgeon trained in European medicine is a member of the Hospital Staff.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Hong Kong College of Medicine, and the City Hall.

The Pó Leung Kuk is an institution, incorporated in 1893, presided over by the Registrar General and an annually-elected Committee of 12 Chinese gentlemen, for the protection of women and children. The inmates of the Home receive daily instruction in elementary subjects and are allowed to earn pocket-money by needlework. During 1908 a total of 403 persons were admitted. Of these, 86 were released after enquiry, 22 were released under bond, 150 were placed in charge of their husbands, parents, or relations, 14 were placed in charge of the French Consul, 20 were sent to charitable institutions in China, 22 were sent to school, convent, or refuge, 6 were adopted, and 28 were married. One died during the year, one absconded, and fifty-three remained in charge of the Society at the end of the year.

An institution named the Eyre Refuge under Mission auspices, for the same general purposes, was re-organised during the year under a strong committee, and Government contributes a small grant. It is hoped that this institution will work in conjunction with the Po Leung Kuk.

The Hong Kong College of Medicine was founded in 1887. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. The Lecturers, who are Government officials or private medical practitioners, each receive a small honorarium, the funds being derived from the fees of the students and a Government grant-in-aid of $2,500. The minimum curriculum of study is five years, and a preliminary examination in general accord with the regulations of the General Medical Council of Great Britain is required. 111 students have been enrolled up to date (May, 1909); and of these 37 have become qualified "licentiates." Most of the licentiates have settled in the Colony, and are exerting a most useful influence in the direction of displacing the native medical methods and popularising Western medical and sanitary knowledge, while a considerable number of them are employed as resident surgeons in the hospitals for Chinese, as medical officers in charge of the Public Dispensaries, and as assistant medical officers on the railway works. The work of the College has thus far been carried on in lecture-rooms and laboratories made available in various hospitals, &c., in different parts of the City. Steps were being taken to provide adequate buildings of its own; but action was suspended when the University Scheme was proposed. *(See* page 22.) If a University is established, the College will be merged into its Faculty of Medicine.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, &c., a museum in which are some very fair specimens, and a large Reference and Lending Library, to which new volumes are added from time to time as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent ($1,280), the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seaman's Hospital, and other charitable institutions.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 9,562, being a decrease of 1,978 or 17·14 per cent., as compared with 1907. In the division of these cases into serious and minor offences there is a decrease in the former as compared with the previous year of 64 cases or 1·93 per cent.

The number of serious offences reported was 37 below the average of the quinquennial period commencing with the year 1904. The number of minor offences reported shows a decrease of 1,914, as compared with 1907, and was 1,515 below the average of the quinquennial period.

The total number of persons committed to Victoria Gaol was 4,778, as compared with 5,877 in 1907, but of these only 1,975 were committed for criminal offences, against 2,460 in 1907. Of committals for non-criminal offences there were 394 less under the Prepared Opium Ordinance and 139 less for infringement of Sanitary By-laws.

The daily average of prisoners confined in the gaol was 465, the average for 1907 being 502 and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was ·14, as compared with ·14, the average percentage for the last ten years.

Owing, however, to the large floating population which is constantly moving between the Colony and Canton the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. A large number of the riff-raffs and thieves of South China found their way to Hong Kong, and during the year 895 aliens were banished as undesirables—for the most part after conviction for crime.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·27, as compared with 1·50 in 1907 and 1·21 in 1906.

The prison is managed on the English prison system as regards first offenders (star class prisoners) who are when at labour and when located for the night kept apart from old offenders.

Long-sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, washing, carpentry, boot-making, net-making, painting, and white-washing, mat-making, tailoring, oakum-picking, &c. The profit on the work done was $45,420, as against $37,434 in 1907.

There was $5,012 received and credited to Government for non-Government work, against $5,790 in 1907.

In consequence of the low number of prisoners in custody at the beginning of the year it was found possible to close the branch prison.

The prison was considerably damaged in the typhoon of the 27th July. The work of repairing was immediately taken in hand by the Public Works Department and completed by the end of October.

The total strength of the Police Force for 1908 was Europeans 135, Indians 410, Chinese 501, making a total of 1,046, as compared with 1,048 in 1907, exclusive in each case of the five superior officers and staff of clerks and coolies. These figures include police paid for by the railway, private firms, and other Government Departments. Of this force the District Officer, 15 Europeans, 112 Indians, and 47 Chinese were stationed in the New Territories during the year.

The force of District Watchmen, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the city. They are placed on police beats and are supervised by the European police on section patrol.

IX.—VITAL STATISTICS.

The population of the Colony according to the census taken in 1901 was 283,975 while at the census taken in 1906 it was 301,967 exclusive of the New Territories, New Kowloon, and the Army and Navy Establishments. The estimated population at the middle of the year under review was 421,499, as follows:—

Non-Chinese Civil community		13,200
Chinese population—		
Hong Kong	194,460	
Kowloon	74,350	
Floating population	44,940	
Mercantile Marine	2,700	
		316,450
Army (average strength)	4,483	
Navy (average strength)	2,355	
		6,838
New Territories (exclusive of Kowloon)		85,011
Total		421,499

During the year under review considerable progress has been made in rendering existing domestic buildings rat proof as a preventive of plague, 103 ground surfaces of houses have been repaired, and 811 buildings have had rat-runs filled up with cement. In addition 49 basements illegally inhabited have been vacated.

New buildings (domestic) to the number of 148 were erected during the year and in these the effect of the present Ordinance is seen in the increased amount of open space about the houses, which the law requires. Scavenging lanes which have to be provided in the rear of new houses also increase the open space about them and tend to reduce crowding.

During the year there were 986 deaths from plague, compared with 198 in 1907 and 842 in 1906.

There were 2,498 deaths from respiratory diseases amongst the Chinese, 748 of which were due to phthisis, a percentage of 8·3 of the total deaths amongst that community.

Beri-beri caused 736 deaths—as against 562 in 1907—a very high figure.

The deaths from malaria were 499 as against 579 in 1907, and 448 in 1906. The average number of deaths from this disease has fallen from 480 in the quinquennium 1899 to 1903 to 422 in the quinquennium 1904-1908. Military returns of admissions to hospital for malaria show an increase in the incidence of this disease, as compared with the year 1907. There were 515 admissions in 1908, being a ratio per thousand of the garrison of 256, against 287 in 1907 (196 per thousand).

Changes were made during the year in the administration of the Sanitary Department by an Amending Public Health and Buildings Ordinance (No. 14 of 1908) whereby the Principal Civil Medical Officer ceased to be the Administrative Head of the Department and President of the Board, these duties being transferred to a cadet officer whose whole time is given to the work. At the same time the duty of dealing with all private drainage works and with structural defects of a sanitary nature, such as deficient window area, defective ground surfaces, obstructed open spaces, &c., was transferred to certain engineers of the Public Works Department who, as the Building Authority, are now entirely responsible for dealing with all structural defects on private premises.

This amending Ordinance also reduced somewhat the stringency of the law in regard to the erection of cubicles in Chinese tenement houses and reduced the required floor space per head from 50 square feet to 30 square feet in all such premises as do not contain cubicles. The Ordinance also made further provision for dealing with blocks of insanitary property (s. 154*a*) and introduced the principle of an improvement rate for such cases.

The transfer of duties to the Building Authority has greatly lessened the work of the Sanitary Department, and as a consequence it has been possible to reduce the Sanitary Staff—one Surveyor and one Overseer of Drainage have been transferred to the Public Works Department and the number of Sanitary Inspectors has been materially reduced, while further reductions are contemplated as vacancies arise.

As a result of the final report of the Indian Plague Commission, issued in 1908, it has been possible to effect a very considerable economy in the matter of the disinfection of plague houses, a cheap pulicide only being now in use whereas formerly both pulicide and disinfectants were employed.

The average monthly temperature throughout the year was 71·8° F., as compared with 72·2° F. in 1907 and 72·0 F. during the ten preceding years. The mean maximum monthly temperature was attained in August, when it reached 87·3° F., and the mean minimum monthly temperature was recorded in February, when it was 54·9° F. The highest recorded temperature during the year was 92·6° F. on the 16th July, and the lowest 43·7° F. on the 19th February.

The total rainfall for the year was 91·87 inches, as compared with an average of 77·31 inches during the ten preceding years. The wettest month was July, with 22·26 inches, the driest, November, with 0·15 inch. The greatest amount of rain which fell on any one day was 7·0 inches on the 23rd July, while no rain feil on 213 days of the year. The mean relative humidity of the atmosphere for the year was 79 per cent., as compared with an average of 77 per cent. during the ten preceding years. The average daily amount of sunshine was 5·2 hours, being 47 per cent. of the possible duration.

These figures are those recorded at the Observatory, Kowloon, and there is a very considerable divergence between that place and Hong Kong (low levels), the Peak District, or Tai Po (New Territories), both in rainfall, temperature, and humidity.

X.—POSTAL SERVICE.

The total receipts paid into the Treasury in 1908 by the Postal Department amounted to $601,967, from which sum $189,535 was transferred to other heads of General Revenue under which fees and duties are paid in postage stamps, which are now sold exclusively by the Post Office, leaving the sum of $412,431 as the approximate revenue from the Postal Service. The total expenditure amounted to $371,486 which, being deducted from the revenue of $412,431, leaves a profit of $40,945.

The Siberian route for transmission of mails to Europe has become increasingly popular with residents in Hong Kong as well as in China. The Shanghai Agency commenced to forward mails to Europe viâ Dalny and Harbin on September 3rd. The approximate time occupied in transmission of letters by this route from London to Shanghai was 16 to 18 days, to Tientsin 16 days, Weihaiwei 18 days, and Hong Kong 20 to 23 days.

XI.—MILITARY EXPENDITURE.

The Colony contributed $1,250,168 (being the statutory contribution of 20 per cent. of the revenue) towards the cost of the maintenance of the regular forces in the Colony, including barrack services and defence works.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $45,554, compared with $45,253 in 1907.

XII.—GENERAL OBSERVATIONS.

The assessment made in July, 1907, for the year 1907-8 was adopted for the year 1908-9, the difference in rateable value being the result of interim-assessments and appeals. The rateable value of the whole Colony increased by 0·93 per cent. In the City of Victoria, the Hill District, Shaukiwan, the Hong Kong villages, Mongkoktsui, and the Kowloon villages there was an increase ranging from 0·84 per cent. to 2·92 per cent. In Kowloon Point and Yaumati there was a decrease of 1·21 per cent. and 1·45 per cent. respectively. New Kowloon showed an increase of 0·77 per cent. Notices of appeal were given against the assessments of 249 tenements with an aggregate rateable value of $452,180. The Court ordered reductions amounting to $36,195.

Throughout the year negotiations were in progress between this Government and the Chinese authorities, both at Canton and at Peking, on the subject of the loss and inconvenience caused by the depreciation of the Colony's subsidiary currency owing to the over-issue of small coins by the Mint in Canton, which circulate freely in the Colony at a heavy discount and cause the legal (subsidiary) currency to fall to a nearly corresponding discount. This Government adopted the expedient of withdrawing from circulation $780,000 of subsidiary silver coin and $30,000 of bronze coin. These coins were shipped to London where they were melted down and sold as bullion for £60,501 1*s*. 4*d*. and £1,190 1*s*. respectively. Up to the close of the year the negotiations with the Chinese Government had not produced any satisfactory result. The average annual loss to revenue from this source as calculated for the last three years has been $184,204, including the loss by demonetization of unissued stocks. The average loss on the same period, which would have been incurred by payment of discount instead of demonetization, was $26,777.

The rate of exchange fell from over 2*s*. to the dollar at the end of 1907 to an average throughout the year of 1*s*. 9·6*d*. This involved considerable loss to Government and disorganised the budget which had been calculated on a basis of 2*s*. for salaries and 2*s*. 1*d*. for other items.

Piracy in the Canton Delta was much less rife than it has been during recent years.

Mr. R. Mansfield, Consul-General at Canton, handed over charge of the Consulate to Mr. H. H. Fox on the 1st June.

Mr. H. N. Mody generously offered to present the Colony with the buildings necessary to start a university. His original offer was to give a sum of $150,000 for this purpose and a further sum of $30,000 towards endowment. Plans of the necessary buildings were prepared and, as the Director of Public Works estimated that the buildings proposed would not cost less than $290,000, Mr. Mody undertook to provide them in accordance with the plans which he had approved, no matter what the cost might be, stipulating, however, that he should use on the buildings the $30,000 originally given for endowment, if it should be required.

It is intended that the proposed Hong Kong University shall have at the outset two Faculties, viz., Medicine and Engineering, and that the existing College of Medicine, the Technical Institute, and the local branch of the Sanitary Institute shall be incorporated in it. It is hoped that an Arts Course may be added. A Committee has been formed, with myself as Chairman, to promote the undertaking.

On the 6th May, a telegram was received from your Lordship to the effect that His Majesty's Government had decided "that steps must be taken to close opium dens in Hong Kong, as they recognise it is essential in dealing with the opium question in Hong Kong we must act up to the standard set by the Chinese Government." As the result of this telegram the opium question was debated in the Legislative Council on several occasions during the year, and careful investigations were made by the Government. It had not, however, been decided by the end of the year what steps should be taken in the matter, as the result of the International Opium Commission to be held in Shanghai was awaited.

In the month of June there were very serious floods in the valleys of the West and North Rivers, causing distress and famine in many districts of the Kuangtung and Kuangsi Provinces; and on the 2nd of July the Legislative Council unanimously adopted a resolution conveying the deep sympathy of the Colony to the Governor-General of the provinces concerned, and authorizing the payment of a sum of $30,000 from the general revenue as a donation for the relief of the sufferers. A cheque for that amount was handed to the Governor-General by H.B.M.'s Acting Consul-General at Canton on the 15th July, and transmitted by His Excellency to the Charitable Guilds to whom the distribution of organized relief was entrusted. In addition to this donation, there was collected by the Tung Wa Hospital the sums of $91,528 locally and $371,069 from abroad; while a Chinese bazaar held in the Colony in aid of the Flood Relief Fund realized $81,690. The bazaar was interesting as being the first of the kind organized and managed entirely by the Chinese community; Chinese ladies took charge of the stalls and both Chinese and European firms sent large quantities of goods, free of charge, to the Bazaar Committee for sale.

A sum of $1,000 was subscribed by the colonists of Saigon for the relief of the distress caused by the severe typhoon of the 18th September, 1906, and it had originally been the intention of Sir M. Nathan to appropriate this sum for the erection of a memorial to the French sailors of the French destroyer "Fronde" who lost their lives in this harbour during that typhoon. As, however, the Committee of the Typhoon Relief Fund unanimously decided that it was not within their power to make any grant from the funds for this purpose nor to appropriate thereto the sum of $1,000 received from Saigon, that money having gone into the general fund, a special subscription of $2,550 was raised to defray the cost of erecting an obelisk in Gascoigne Road, Kowloon, as a memorial to the French sailors in question. The ceremony of unveiling the memorial took place on the 14th of

June, and Mlle. Morel, daughter of the Lieutenant-Governor of Tongking, unveiled the obelisk.

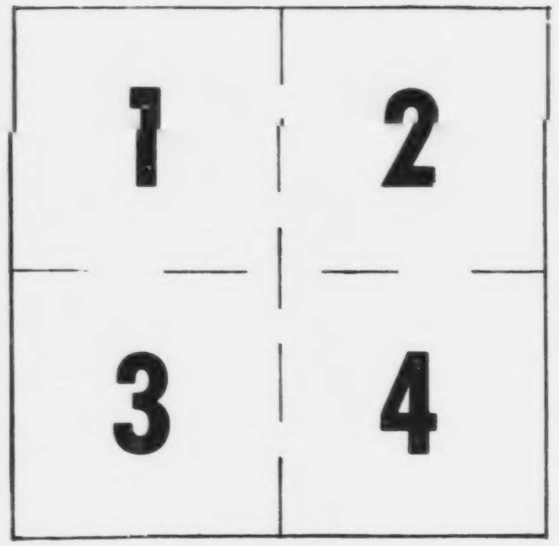
The proposal to construct a new Typhoon Refuge at Mongkoktsui, which had originally been made in 1904, and which, since the typhoon of the 18th September, 1906, had been before the Typhoon Relief Committee, was favourably reported on by the Public Works Committee of the Legislative Council, who further recommended that pending its construction the accommodation in the Causeway Bay shelter should be increased by deeping the area therein which dries at low water. It was estimated that the latter work would cost $70,000, and that a breakwater at Mongkoktsui to enclose 166 acres of sheltered water would cost $1,540,000. The matter was discussed in Legislative Council on the 6th August, and with a view to financing the works a resolution was passed by the Council on that day increasing the dues:—(*a*) for all river steamers entering the waters of the Colony to five-sixths of a cent per ton register; and (*b*) for all other ships entering the waters of the Colony (excepting British and foreign ships of war) to two cents per ton register. It is hoped by this means to defray half the cost of the Mongkoktsui Breakwater, the other half being paid out of the reserve funds of the Colony; and in the Colonial Estimates for 1909, passed by the Legislature on the 15th October, a sum of $200,000 is provided for the Mongkoktsui Typhoon Shelter, and a sum of 20,000 for deepening the shallow area of Causeway Bay to one foot below Ordnance Datum.

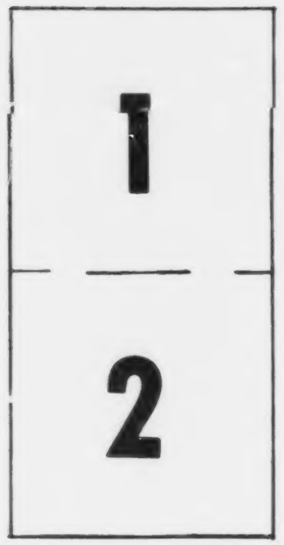
In the meantime, on the night of the 27th to 28th July, the Colony was struck by another disastrous typhoon in which 26 privately-owned buildings collapsed, with a loss of 59 lives, and damage was done to 77 Government buildings, with a loss of one life. The river steamer "Ying King" foundered with a loss of 424 lives including those of the master and three European passengers. Inside and outside the harbour limits 17 European and 125 native craft were sunk, many more being wrecked or damaged. The loss of Government property alone was estimated at $100,000. The storm swept on to Canton where great destruction of river craft and much loss of life occurred.

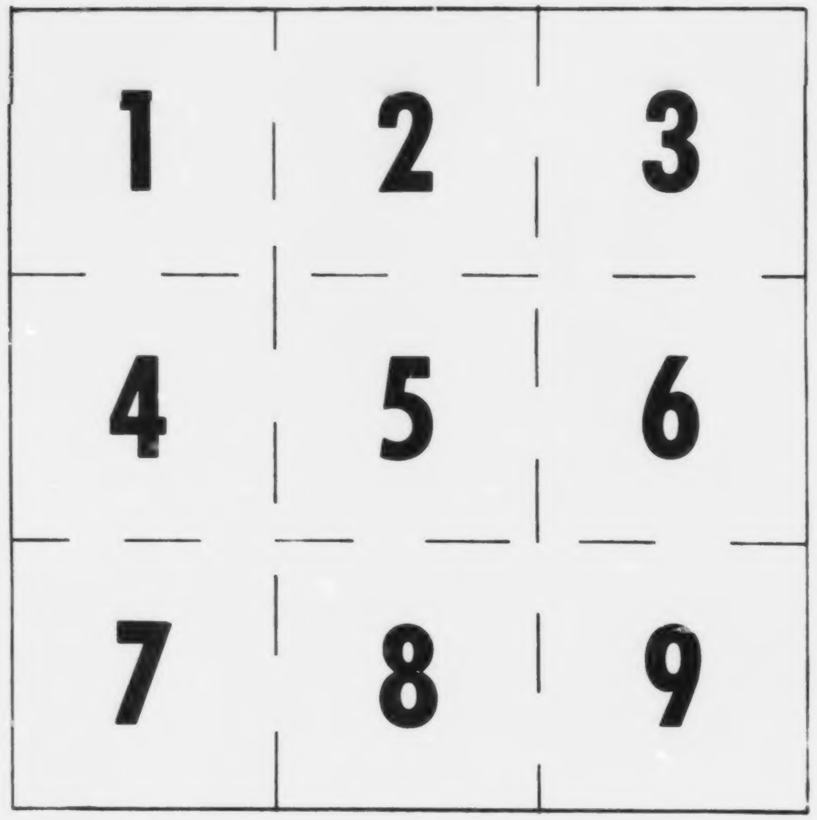
Under instructions from your Lordship a Bill was introduced into the Legislative Council to provide for the transfer to the Government of Hong Kong of the Widows' and Orphans' Pension Fund and of the management and control of the pensions of widows and orphans. The Bill was passed on the 30th July and the fund, amounting to a sum of $371,321, was transferred to the general revenue of the Colony, out of which the pensions in question will in future be paid.

A riot broke out in the town of Victoria on the 1st and 2nd of November in connection with a boycott of Japanese goods by the Cantonese. This boycott was due to the feeling excited in China by the "Tatsu Maru" affair, and was actively organized by the "National Disgrace Society" at Canton. It soon spread to Hong Kong, where the Government from the first took active steps to combat it, with the result that by the autumn several Chinese

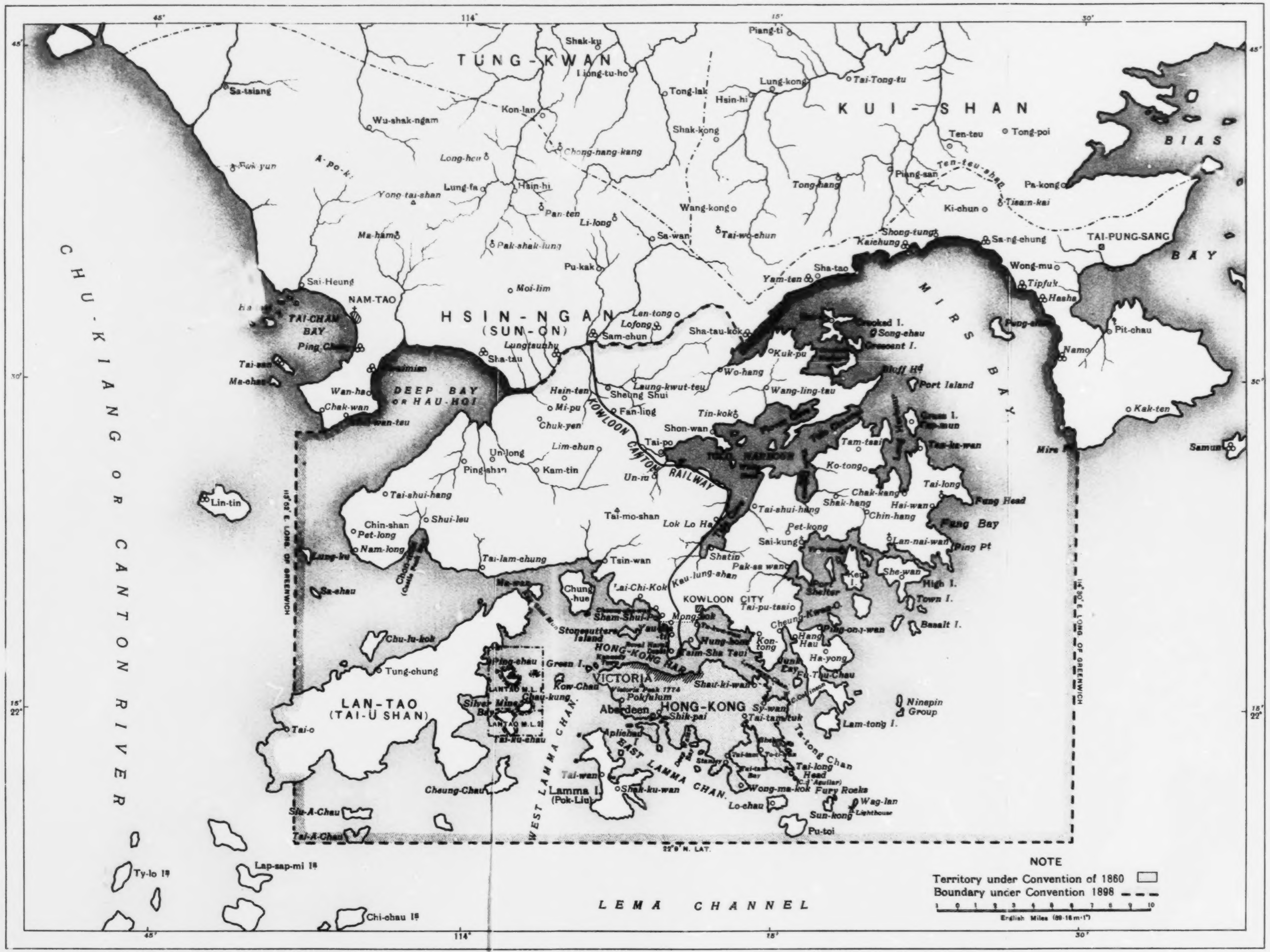
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







HONG-KONG, KOWLOON AND ADJACENT TERRITORIES.


TUNG-KWAN
KUI-SHAN
HSIN-NGAN (SUN-ON)
CHU-KIANG OR CANTON RIVER
BIAS BAY
TAI-PUNG-SANG BAY
MIRS BAY
DEEP BAY OR HAU-HOI
TAI-CHAN BAY
NAM-TAO
KOWLOON CANTON RAILWAY
KOWLOON CITY
VICTORIA
HONG-KONG
HONG-KONG HARBOUR
LAN-TAO (TAI-U SHAN)
LAMMA I. (Pok-Liu)
WEST LAMMA CHAN.
EAST LAMMA CHAN.
LEMA CHANNEL
Shak-ku
Liong-tu-ho
Sa-tsiang
Wu-shak-ngam
Kon-lan
Tong-lak
Hsin-hi
Lung-kong
Tai-Tong-tu
Piang-ti
Shak-kong
Chong-hang-kang
Long-hen
Lung-fa
Yong-tai-shan
Pan-ten
Li-long
Wang-kong
Sa-wan
Tai-wo-chun
Tong-hang
Piang-san
Ten-teu
Tong-poi
Ten-teu-shan
Ki-chun
Tisam-kai
Pa-kong
Shong-tung
Kaichung
Sa-ng-chung
Ma-ham
Pak-shak-lung
Pu-kak
Moi-lim
Sai-Heung
Yam-ten
Sha-tao
Wong-mu
Tipfuk
Hasha
Pit-chau
Namo
Len-tong
Lofong
Sam-chun
Lungtaushu
Sha-tau
Sha-tau-kok
Crooked I.
Song-chau
Crescent I.
Bluff Hd
Port Island
Kuk-pu
Wo-hang
Wang-ling-tau
Ping-Chau
Ma-chau
Tai-san
Wan-hao
Chak-wan
Hsin-ten
Mi-pu
Sheung Shui
Laung-kwut-teu
Fan-ling
Chuk-yen
Lim-chun
Tin-kok
Shon-wan
Tai-po
Tolo Harbour
Tam-tsai
Grass I.
Kak-ten
Samun
Mirs Pt
Un-long
Ping-shan
Kam-tin
Un-ru
Ko-tong
Tai-long
Fung Head
Fung Bay
Chak-kang
Shak-hang
Hai-wan
Chin-hang
Lan-nai-wan
Ping Pt
Lin-tin
Tai-shui-hang
Shui-leu
Chin-shan
Pet-long
Nam-long
Tai-mo-shan
Lok Lo Ha
Tai-shui-hang
Pet-kong
Sai-kung
Tai-lam-chung
Tsin-wan
Shatin
Pak-sa-wan
Kau-lung-shan
She-wan
High I.
Town I.
Basalt I.
Sa-chau
Ma-wan
Chung-hue
Lai-Chi-Kok
Tai-pu-tsaio
Port Shelter
Sham-Shui
Mong-kok
Stonecutters Island
Yau-ma-ti
Hung-hom
Tsim-Sha-Tsui
Kon-tong
Cheung-Kwan
Ping-on-wan
Chu-lu-kok
Tung-chung
Ping-chau
Green I.
Kow-Chau
Victoria Peak 1774
Shau-ki-wan
Hang Hau
Ha-yong
Tit-Chau
Ninepin Group
Silver Mine Bay
Chau-kung
Pokfulum
Aberdeen
Sy-wan
Shik-pai
Tai-tam-tuk
Lam-tong I.
Tai-o
Tai-ku-shau
Aplichau
Stanley
Tai-tam Bay
Ta-tong Chan
Tai-long Head
Fury Rocks
Wag-lan Lighthouse
Wong-ma-kok
Cheung-Chau
Tai-wan
Shek-ku-wan
Lo-chau
Sun-kong
Pu-toi
Siu-A-Chau
Tai-A-Chau
Ty-lo I.
Lap-sap-mi I.
Chi-chau I.
LANTAO M.L.
LANTAO M.L.
113° 52' E. LONG. OF GREENWICH
114° 30' E. LONG. OF GREENWICH
22° 9' N. LAT.
45'
114°
15'
30'
45'
30'
15' 22°
NOTE
Territory under Convention of 1860
Boundary under Convention 1898
English Miles
1 0 1 2 3 4 5 6 7 8 9 10

Ordnance Survey Office, Southampton, 1909.

merchants in the Colony had again begun to trade in Japanese goods. This gradual failure of the boycott movement in Hong Kong dissatisfied the more violent agitators in Canton, who, thereupon, made this Colony the scene of an organized riot, which had for its object the destruction of the shops and goods of such Chinese merchants as had abandoned the anti-Japanese boycott. The affair was arranged with such secrecy and skill that the police of the Colony were completely taken by surprise, and for the purpose of restoring law and order it was necessary to call upon the military authorities for assistance. A proclamation was forthwith issued declaring the Colony subject to the provisions of the Peace Preservation Ordinance, and with the help of the troops order was restored by the evening of the 2nd November. After that date there was no further outbreak, and drastic steps were taken to deal with the instigators of the outrage. In no instance was a Japanese shop or a Japanese subject attacked.

I have, &c.,

F. D. LUGARD,

Governor, &c.

The Right Honourable
The Earl of Crewe,
His Majesty's Principal Secretary of
State for the Colonies,
&c., &c., &c.

COLONIAL REPORTS.

The following recent reports relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
581	Mauritius	1907
582	Straits Settlements	„
583	Southern Nigeria	„
584	Imperial Institute	1906–1907
585	Barbados	1907–1908
586	Somaliland Protectorate	„
587	Trinidad and Tobago	„
588	Sierra Leone	1907
589	British Guiana	1907–1908
590	Grenada	1907
591	Leeward Islands	1907–1908
592	East Africa Protectorate	„
593	Bechuanaland Protectorate	„
594	Northern Nigeria	„
595	Basutoland	„
596	Swaziland	„
597	St. Helena	1908
598	Gibraltar	„
599	Falkland Islands	„
600	Uganda	1907–1908
601	Imperial Institute	1908
602	Northern Territories of the Gold Coast	„
603	Ashanti	„
604	Ceylon	„
605	Weihaiwei	„
606	Seychelles	„
607	Jamaica	1907–1908
608	Colonial Survey Committee	1908–1909
609	Gambia	1908
610	Malta	1908–1909
611	Sierra Leone	1908
612	Turks and Caicos Islands	„
613	Gold Coast	„
614	Bechuanaland Protectorate	1908–1909
615	Bahamas	„
616	St. Lucia	1908

MISCELLANEOUS.

No.	Colony, &c.	Subject.
53	East Africa Protectorate	Veterinary Bacteriological Work, 1907–8.
54	Newfoundland	Governor's Visit to the Micmac Indians.
55	Cape Colony	Rietfontein Area.
56	Turks Islands	Salt Industry.
57	Uganda	Governor's Tour.
58	British Colonies	Fibres.
59	Northern Nigeria	Mineral Survey, 1906–7.
60	Nyasaland Protectorate	Do., 1907–8.
61	South Africa	Agriculture and Viticulture.

COLONIAL REPORTS—ANNUAL.

No. 659.

HONG KONG.

REPORT FOR 1909.

(For Report for 1908, *see* No. 617.)

Presented to both Houses of Parliament by Command of His Majesty.

November, 1910.

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No. 659.

HONG KONG.

(For Report for 1908, *see* No. 617.)

THE ACTING GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
20th July, 1910.

MY LORD,

I HAVE the honour to submit, for your Lordship's information, the following general report on the annual Blue Book for the year 1909.

I have, &c.,
F. H. MAY,
Officer Administering the Government.

The Right Honourable
The Earl of Crewe,
His Majesty's Principal
Secretary of State for the Colonies,
&c., &c., &c.

(17876—2.) Wt. 27349—387. 1125 & 85. 11/10. D & S.

I.—FINANCES.

(*a.*)—General Revenue and Expenditure.

The revenue for the year, exclusive of Extraordinary Revenue and Widows' and Orphans' Fund and Contributions amounted to $6,286,833 or $251,984 more than for the previous year. The Extraordinary Revenue (Land Sales, Widows' and Orphans' Pension Contributions and special Light Dues) amounted to $536,134 or $468,776 more than in 1908, when, however, no collection was made an account of the last two items. The total revenue from all sources was $6,822,967 or $718,760 more than in the previous year, and $113,971 more than the estimate.

There were increases under every head of ordinary revenue, and receipts under the remaining heads were altogether $119,166 less than were anticipated, with a deficit on land sales accounting for $118,403.

The expenditure for the year was $5,313,386 exclusive of public works extraordinary; inclusive of that item it was $6,542,839 or $1,386,639 less than the total expenditure for 1908, which, however, included railway construction disbursements now entered in a separate account.

Rate of exchange for both years was taken at 1*s.* 9*d.* The expenditure of the year was less than the estimate by $238,327, due, *inter alia*, to crediting charge on account of public debt with reimbursements of interest paid in previous years on account of advances for railway construction, and to no such charge having been debited in 1909.

The increase of $113,971 in the revenue, and the decrease of $238,327 in expenditure make a total surplus of $280,128 instead of an anticipated deficit of $72,170. The above figures exclude a reimbursement of $354,065 from railway account.

The following table shows the total revenue and expenditure for the five years 1905-1909:—

—	1905.	1906.	1907.	1908.	1909.
	$	$	$	$	$
Revenue*	6,918,404	7,035.011	6,602,280	6.104.207	6,822,967
Expenditure* ...	6,951,275	6,832,610	5,757,203	6,573,341	6,542,839
Surplus	—	202,401	845,077	—	280,128
Deficit	32,871	—	—	469,134	—

* Railway Account Disbursements and Reimbursements omitted.

(*b.*)—Colonial Contribution.

The Colony contributed $1,226,441 (being the statutory contribution of 20 per cent. of the estimated revenue for 1909 together with the ascertained excess of revenue over the estimates on account of 1908), towards the cost of the maintenance of military forces in the Colony including barrack services and defence works.

(c.)—ASSETS AND LIABILITIES.

At the end of the year 1909, the assets of the Colony amounted to $615,438. The total liabilities were $264,340, so that the balance of assets over liabilities amounted to $351,098. The sum to be re-imbursed by Railway Construction Account was on 31st December $1,002,071 which added to balance above makes the balance of assets in general account up to $1,353,169 a sum greater than in December, 1908, by the surplus revenue in 1909, viz., $280,128.

(d.)—PUBLIC DEBT.

A loan consisting of inscribed stock at 3½ per cent. interest, £341,799 was incurred in 1893 for Praya Reclamation; Central Market; Water, Drainage, and Sewerage Works, &c., to be paid off on 15th April, 1943.

A second loan consisting of inscribed stock £1,143,933 at 3½ per cent. was raised in 1906 to cover a loan to the Viceroy of Wuchang of £1,000,000. The Viceroy, in accordance with the terms of the loan, had up to the end of 1909 repaid £440,000, which was placed to the credit of a special account for construction of the British section of the Kowloon-Canton Railway.

The contributions paid into the Joint Sinking Fund, with accrued interest from investments thereof, came to £86,980 2*s.* 5*d.* on the 31st of December, 1909, but the value of the fund, according to market prices, was £86,577 7*s.* 9*d.*

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(a.)—TRADE AND SHIPPING.

The total of the shipping entering and clearing at ports in the Colony during the year 1909 amounted to 527,280 vessels of 34,830,845 tons which, compared with that for 1908, shows a decrease in numbers of 4,832 vessels, with an increase in tonnage of 215,604 tons.

Of this total, 43,794 vessels of 22,415,125 tons were engaged in foreign trade, and were distributed as follows:—

	1909.					1908.
British ocean-going ships represented ...	9·3%	in Nos.	and	34·5%	in tonnage.	33·7%
Foreign ocean-going ships represented ...	9·8	,,	,,	35·1	,,	33·2
British river steamers represented ...	13·2	,,	,,	16·5	,,	19·2

	1909.		1908.
Foreign river steamers represented ...	3·2% in Nos. and	3·3% in tonnage.	3·3%
Steam-launches (under 60 tons) represented ...	7·2 ,, ,,	0·6 ,,	0·8
Trading junks represented ...	57·3 ,, ,,	10·0 ,,	9·8
	100·0	100·0	100·0

The movements of fishing junks are not included in the above figures.

Of ships of European construction, 4,191 ocean steamers, 7 sailing ships, 3,576 river steamers, and 1,580 steam-launches, (*i.e.*, steamships not exceeding 60 tons) entered during the year, giving a daily average entry of 25·6, as compared with 26·8 in 1908.

The average tonnage of individual ocean vessels visiting the port has slightly decreased—from 2,448·6 tons to 2,390·4 tons. That of British vessels has remained stationary—2,594 as against 2,593—while that of foreign vessels has decreased from 2,309·9 to 2,205·3 tons.

In this connection it is interesting to note that during the past twenty years the average tonnage of ocean vessels visiting the Colony has risen from 1,182·3 tons to 2,390·4 tons.

The average tonnage of river steamers entered during the year decreased from 665·5 tons to 620·6 tons, that of British river steamers from 687 to 640·4 tons, and that of foreign river steamers from 565·2 to 538·1 tons.

A comparison between the years 1908 and 1909 is given in the following table:—

Class of Vessels.	1908.		1909.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British, Ocean-going	3,869	7,505,870	4,076	7,735,927	207	230,657	—	—
Foreign, Ocean-going	4,132	7,397,836	4,318	7,857,908	186	460,072	—	—
British, River Steamers	6,246	4,287,482	5,780	3,701,754	—	—	466	585,728
Foreign, River Steamers	1,297	733,065	1,370	735,682	73	2,617	—	—
Steamships under 60 tons (Foreign Trade)... ...	4,060	181,142	3,160	140,484	—	—	900	40,658
Junks (Foreign Trade)	25,833	2,201,242	25,080	2,243,370	—	42,128	743	—
Total Foreign Trade	45,437	22,306,637	43,794	22,415,125	466	735,474	2,109	626,386
Steam-launches plying in waters of Colony ...	445,724	10,460,682	439,988	10,328,400	—	—	5,736	132,282
Junks, Local Trade	40,951*	1,848,522*	43,498†	2,087,320†	2,547	238,798	—	—
Grand Total	532,112	34,615,841	527,280	34,830,845	3,013	974,272	7,845	758,668
Net					—	215,604	4,832	—

* Including 16,808 Conservancy and Dust Boats of 862,256 tons. † Including 19,094 Conservancy and Dust Boats of 1,022,676 tons.

This table shows an increase in British ocean shipping of 207 ships of 230,657 net register tons, or of 5·3 per cent. in numbers and 3 per cent. in tonnage, which points to a continuance of the revival of trade noted in my report for 1908. The improvement has been continuous throughout the year.

British river steamers have decreased by 466 ships of 585,728 tons, or 7·4 per cent. in numbers and 13 per cent. in tonnage. This is due to the loss of two large steamers, the "Powan" and "Ying-king" which ran for half of 1908; to the withdrawal of two smaller steamers, the "Hoi Sang" and "Kwong Fat," and to the laying up, during three months of 1909, of another small steamer, the "Tak Hing."

Foreign ocean vessels have increased by 186 ships of 460,072 tons, or 4·5 per cent. in numbers and 6·2 per cent. in tonnage. This increase is due almost entirely to Japanese shipping, which has increased by 118 ships of 459,292 tons. Increases are also shown under the Norwegian and Swedish flags—of 58 ships of 64,400 tons, and 47 ships of 70,265 tons, respectively. Portuguese and Dutch flags also show small increases. The principal decreases are under French and German colours—of 45 ships of 58,133 tons, and 19 ships of 16,848 tons, respectively—small decreases being shown under Russian, Austrian, and Italian flags. Under the United States flag there was an increase of 7 ships with a decrease in tonnage of 42,211 tons; while there was a similar fall in the average size of Chinese ships, an increase of 2 ships being accompanied by a decrease of 3,503 tons.

Foreign river steamers increased by 73 ships of 2,617 tons, or 5·6 per cent. in numbers and 0·35 per cent. in tonnage, which is explained by the smaller vessels running more frequently and the larger less often. Two small river steamers under Chinese colours were added to the West River run during the year. These vessels run only as far as Kong Mun, thus making many more trips than those running up to Wuchow.

It may not be out of place to draw a comparison here between these figures and those of twenty years ago. In 1889, 2,591 British ships of 3,242,953 tons entered the port, against 9,856 ships of 11,437,681 tons in 1909. For foreign ships the figures are for 1889, 1,144 ships of 1,206,983 tons and in 1909, 5,688 ships of 8,593,590 tons. These figures are those for ocean and river steamers, which were not distinguished in 1889, and ocean sailing ships (not junks).

The actual number of individual ocean vessels of European construction entering during 1909 was 704, being 336 British and 368 foreign. The corresponding figures for 1908 were respectively 745, 365, and 380.

These 704 ships aggregated 1,682,845 tons. They entered 4,198 times, and gave a collective tonnage of 7,796,376 tons. Thus, compared with 1908, 41 less ships entered 207 more times, and gave a collective tonnage increased by 343,878 tons.

Thus:—

Flag.		Steamers.		No. of times entered.		Total tonnage.	
		1908.	1909.	1908.	1909.	1908.	1909.
British ...	Steamers...	358	331	1,923	2,034	3,730,927	3,854,571
	Sailing ...	7	5	10	7	21,697	17,683
Austrian ...	... ...	9	7	25	24	97,789	94,288
Belgian ...	... ...	1	—	1	—	2,903	—
Chinese ...	... ...	16	24	229	232	291,416	290,936
Corean ...	... ...	—	1	—	1	—	796
Danish ...	... ...	6	5	15	16	34,211	31,426
Dutch ...	... ...	15	17	97	105	201,014	207,190
French ...	... ...	39	32	169	148	289,222	262,459
German ...	... ...	129	108	745	735	1,188,100	1,176.322

Flag.	Steamers.		No. of times entered.		Total tonnage.	
	1908.	1909.	1908.	1909.	1908.	1909.
Italian	4	2	12	11	31,400	28,470
Japanese	93	98	434	493	1,049,540	1,283,330
Norwegian	39	43	181	212	192,278	227,341
Portuguese...	5	4	87	94	23,487	36,927
Russian	7	5	13	9	34,326	19,584
Swedish	3	5	11	35	18,099	53,726
United States { Steamers...	13	17	38	42	245,280	211,327
United States { Sailing ...	1	—	1	—	809	—
Total	745	704	3,991	4,198	7,452,498	7,796,376

TRADE.

As pointed out last year, and in many previous years, the figures which used to appear under this heading were, as a whole, never accurate, and, in some cases, actually misleading. However, in the few items of import trade of which substantially accurate details can be given, the following remarks may prove of interest. These items are coal, kerosene oil (including all products of petroleum), opium, morphine, compounds of opium, and sugar.

Coal.—I find that 1,126,836 tons were imported into the Colony during the year. This shows an increase over the imports of 1908 of 108,083 tons, or 10·6 per cent. This would appear to be due to nothing more phenomenal than an increased demand, and to a general improvement in business and manufactures. It is a curious fact that although the imports of coal have increased to this extent, the shipment of bunker coal in the Colony has decreased. This is due to the fact that an increasing number of vessels, calling at Hong Kong, prefer to take their bunker coal elsewhere, *e.g.*, Japanese and most transpacific liners in Japan, Chinese in Canton—whither a considerable quantity of coal passes through Hong Kong in transit—and many vessels on the home run at Singapore, &c. This may be due in part to the fear of detention in Hong Kong, enhanced by the prevalence of typhoons of late years.

Kerosene Oil.—Decreases are shown in all classes of this product, viz.:—26,235 tons of bulk oil, 3,858 tons of case oil, and 9,493 tons of liquid fuel. These decreases are only what might have been expected after the phenomenal increases in 1908, (indeed, my remarks on the subject foreshadowed them), and do not indicate any falling off in the trade. Liquid fuel has increased considerably (32 per cent.) over the figures for 1907—the last normal year.

Opium.—The imports of raw opium show a decrease of 6,087 chests, or 14·5 per cent., while the exports declined by 3,620 chests, or 9·7 per cent. During the year 1909, the raw opium trade of the Colony is described by the following figures:—

Stock in hand, 1st January, 1909 ...	5,808	chests.
Imported during the year	35,734	,,
Total	41,542	,,
Boiled by opium farmer	1,044	,,
Spurious opium destroyed	51	,,
Exported during the year	35,938	,,
Total	37,033	,,
Stock remaining on 31st December, 1909	4,509	,,

Of the several varieties of opium exported, Malwa decreased by 348 chests, or 6·1 per cent., Patna by 1,674 chests, or 7·8 per cent., Benares by 1,228 chests, or 12·6 per cent., Persian by 410 chests, or 13 per cent., while no Turkish opium was either imported or exported, and Chinese opium has never formed any appreciable part of the trade of the Colony. It is obvious from the above figures that the supply does not meet the demand, as 1,300 more chests were disposed of than were imported. China took 92·4 per cent. of the exports.

Imports of compounds of opium increased, as compared with 1908, by 2,543 lbs., or 23·83 per cent., and exports by 1,613 lbs., or 19·56 per cent., while the amount which remained in the Colony for consumption increased by 930 lbs., or 38·1 per cent. Imports of morphia showed an increase of 356 lbs., or 5·06 per cent. Imports and exports of cocaine were recorded for the first time, and for the period from April 22nd to 31st December showed 68 lbs. imported and 12 lbs. exported.

Sugar.—The imports of sugar show a considerable increase of 89,766 tons, or 36 per cent. This article is peculiarly liable to sudden fluctuations, and the increase may be due to increase of stocks owing to favourable prices.

The following remarks upon other items in connection with which there are no official figures may be of interest.

Cotton and Yarn.—With scant yarn supplies all round and consumers both in the southern and northern provinces favoured with bountiful rice and other crops, the year 1909 opened with bright prospects. A fairly extensive business was transacted in the beginning, but as the year advanced the continually increasing price of cotton considerably enhanced yarn values and consumption became in the end slightly reduced. On the whole the year was particularly remunerative to importers and Chinese dealers alike, seeing that the market ruled over on an upward tendency. On the other hand, owing to the increasing cost of manufacture, as the result of extraordinarily dear raw material, the mills fared very badly. The year closed with stocks light and prices abnormally high.

A new feature in the yarn trade of the Colony was the floating of several limited liability companies with Chinese capital for the transaction of business in cotton and cotton yarns, which have given a new life to the trade.

Piece Goods.—The year was a good one for dealers in piece goods. The large orders placed towards the close of 1908 went, with one or two exceptions, rapidly into consumption.

Silk.—The year opened with but little demand from Europe and America and the market for the first quarter of the year ruled quiet. There was a slight activity in the middle of the year, and the year closed with better prospects in the immediate future.

Matting.—Owing to the uncertainty which prevailed in the United States during the first half of the year as to what new rate of duty would result from the tariff revision, the trade was much interfered with. Business done showed a considerable decrease.

Mats and Carpets.—The market was fairly active during the year, the largest exports being to Europe.

Metals.—Prices ruled fairly low with consequent increase in business.

Flour.—The total reported imports of flour during the year amounted to 58,583 tons, as against 91,312 tons in 1908, a decrease of 35·8 per cent. The decrease is due to the fact, noted last year, that direct shipments to coast ports are now made. Another disposing cause for the decrease is the fact that the Shanghai flour mills, which obtain their raw material locally, are now successfully competing with American flour at the coast ports, Foochow, Amoy, Swatow, &c., and are even sending through cargoes to Canton.

Rice.—In spite of a hopeful outlook last year, rice has failed to come back to its previous figure. It has again declined from 721,254 tons to 541,078 tons, or 25 per cent. This is due to a partial failure of the crops in Cochin China, and to the fact that many cargoes of rice from Saigon have been sent direct to coast ports without touching, must less transhipping, at Hong Kong.

The total reported imports during the year amounted to 4,195,968 tons as against 4,169,856 in 1908, an increase of 0·6 per cent. Exports also show an increase, from 2,102,857 tons to 2,239,731 tons, or 6·5 per cent.; and transit cargo increased from 3,372,993 tons to 3,991,347 tons or 19 per cent., but, for the reason given, these figures are not reliable.

Emigration and Immigration.

Seventy-seven thousand four hundred and thirty (77,430) emigrants left Hong Kong for various places during the year 1909. Of these, 52,923 were carried in British ships and 24,507 in foreign ships. These figures show an increase, compared with those for 1908, of 6,349 (or 8·93 per cent.), which may be accounted for by the return of the business to normal conditions, and to the resumption of emigration to Banka and Billiton.

It may be well to note the increasing proportion of emigrants carried in foreign vessels. This appears to be due to the increasing numbers going to Hawaii, who can only travel in United States ships, as well as to the resumption of emigration to the Dutch Indies, which is carried in Dutch vessels.

One hundred and forty-four thousand eight hundred and twenty-one (144,821) returning emigrants are reported to have been brought to Hong Kong from the several places to which they had emigrated, either from this Colony or from coast ports, as against 157,809 in 1908. Of these 109,633 arrived in British ships and 35,188 in foreign ships.

(*b*.)—Industries.

(*Under European Management.*)

Engineering and Shipbuilding.—This is one of the most important industries in the Colony. The principal establishments are the Hong Kong and Whampoa Dock Company, Limited, and the Taikoo Dockyard and Engineering Company, Limited. There are a number of smaller yards, some under European and others under Chinese management, which do a large amount of work.

The Hong Kong and Whampoa Dock Company is an old established company. The establishment is equipped with six dry docks, the largest of which is 700 feet in length with an entrance breadth of 86 feet and a depth over sill of 30 feet; two patent slips and workshops fitted with the most modern appliances for every class of constructional and general engineering work including locomotives and railway rolling stock.

The Taikoo Dockyard and Engineering Company is a newly established company. The establishment possesses a dry dock 787 feet in length with breadth of 88 feet and depth over sill of 34 feet 6 inches besides three slipways and engine and boiler shops capable of dealing with the heaviest classes of engines. Two vessels of over 13,000 tons (gross) each were docked by this company during the year.

The building yard is laid out with furnaces and plant suitable for building vessels up to 20,000 tons.

The depression which existed in 1908 in this industry was continued during the year under review.

Sugar-Refining.—The year 1909 was a favourable one for the sugar-refining industry of the Colony as there was a good demand in the China markets throughout that period, and in consequence of a general advance in sugar all over the world a satisfactory margin of profit was obtainable.

As was the case in 1908 beetroot sugar did not find its way into the China market in any appreciable quantity.

Cotton-Spinning.—During the earlier part of the year the local mill was handicapped owing to the inadequate supply of labour, but this difficulty was overcome. Further difficulty was experienced in obtaining the raw material at the beginning of the cotton season as the crop, although large, was a late one.

Rope Manufacturing.—Business has kept steady and prices have remained the same throughout the year.

Cement.—The conditions under which this industry has been carried on have been much as in 1908, and there has been a good demand throughout the year.

Brewing.—The Oriental Brewery was at work during the year and its beer, in spite of the strong competition of the imported article, is gradually finding favour with the public Its capacity is about 100,000 barrels per annum.

Soap-Boiling.—Messrs. Blackhead & Co. manage a soap factory at Shaukiwan. It was established in 1896 and is equipped with modern plant capable of turning out 1,800,000 lbs. of soap per month. The principal manufactures are soft soap, salt water soap, toilet soap, and tar soap, which are locally consumed or exported to north China.

(*b.*)—INDUSTRIES.

(*Under Chinese Management.*)

Rattan and Fibre Furniture.—The making of rattan chairs has been an important industry in Hong Kong for many years. There has also been lately a large development in the use of what is called sea grass (*arundo mitis*) and hemp string. The ordinary rattan easy and garden chairs are used all over the Far East and are exported to Australia and latterly to South Africa, and "sea grass" and "linen fibre" furniture is exported to India, Copenhagen, and America.

Tobacco.—There are thirteen or fourteen native factories which do a small manufacturing business, importing the tobacco leaf from Pakhoi and the Canton delta.

Tinned Goods.—The manufacture of tinned goods in Hong Kong and parts of the neighbouring province of Kwongtung has acquired considerable dimensions. The products of the factories are consumed locally and exported to other parts of China and to countries where there is a Chinese population.

Samshu.—Samshu or Chinese spirit is made from rice, the fermenting material being a substance composed of rice, bean flour, red earth, and leaves which are stated to be cassia leaves. Various well-known beverages are prepared by flavouring the spirit with plums, oranges, and other fruits.

The retail price of the ordinary Chinese spirit is under 7 cents a catty. The most expensive beverage distilled locally and composed of roses, ordinary spirits, and sugar costs 40 cents a catty. Medicated spirits have a considerable sale among the Chinese. The spirit principally used is one distilled from millet and obtained from the north of China. To this spirit are added various drugs and the mixture is used as a tonic.

There are seven Chinese distilleries exclusive of the village distilleries in the New Territories, which have an annual output of some 300,000 gallons, about one-tenth of which is exported.

Vests and Socks.—There are three small factories for the making of underwear and socks, and a fourth is shortly to open. This industry appears by now to be an established one. The first factory was opened five years ago, has increased the number of machines, and is now beginning to pay its way.

Hides and Leather.—There are seven or eight tanneries where an inferior kind of leather is manufactured. Gall-nuts from Japan are used in the manufacture. The greater part of the hides that reach Hong Kong from the interior is sent to the Straits Settlements, where suitable bark can be procured, to be tanned and sent back to Hong Kong as leather. There is an occasional export of hides by local dealers to Italy.

Preserved Ginger.—Canton has long been noted for its preserved ginger. The manufacture has now been transferred to Hong Kong where there are a number of factories, three of which do a large export busines.

Soy.—Soy is a sauce made by boiling the beans of the "*Glycine hispida,* Maxim," adding an equal quantity of wheat or barley and leaving the mass to ferment. A layer of salt and three times as much water as beans are afterwards added, and the whole compound stirred daily for two months, when the liquid is pressed and strained. Seven or eight Chinese factories are engaged in the manufacture of soy in Hong Kong, and three firms export it to Europe. It is also exported to America. The wholesale price is about $20 the cask of 700 lbs. Business during the year has been dull.

Paper.—There is one paper mill capable of turning out 9,000 lbs. of paper in 24 hours. At present only half the machinery is used and about 100 men are employed. The mill is lighted by electricity. Most of the paper is exported to China; a little goes to the Straits Settlements and elsewhere to the South. The rags are collected from all over south China; the other materials are imported from England.

Vermilion.—There are three vermilion factories. Their average annual output is stated to be about 830 piculs. There is a demand for the vermilion all over the Far East from Japan to Calcutta.

This business is falling off, owing, probably, to the primitive methods of manufacture.

Lard.—There are seven lard factories in existence—the largest turning out about 60,000 piculs a year and the remaining six about 12,000. The lard is exported to the Philippines, the Straits Settlements, &c., and to Rangoon. Business during the year showed no increase.

(*c.*)—FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and many others in the New Territories are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—FORESTRY, AGRICULTURE, AND BOTANY.

The formation of pine tree plantations in the Harbour Belt between Lai-chi-kok and Lyemun has been continued to the extent of 300 acres, and failures in the older plantations in this area, in the catchment areas of Kowloon and Tytam Reservoirs, and in the felled areas of Mount Kellet and Aberdeen have been made good. A few seedlings of the Nanmu or coffin-wood tree have been planted on the north side of Mount Victoria, the south side of Mount Kellet, and at Aberdeen. A few eucalyptus seedlings have also been planted at the latter place.

Shade trees in Kowloon and Hong Kong have been replanted where necessary. Large quantities of brushwood have been removed from the plantations in various parts of the Colony and given to the villagers as payment for work done by them for the Government. A contract extending over three years has been made whereby 710 acres of old pine tree plantations at Mount Davis, Aberdeen, and Tytam have been sold for felling. Several hundred thousand square feet of brushwood have been cleared in the neighbourhood of dwellings at Shaukiwan, West Point, the Peak, and elsewhere, in connection with the crusade against mosquitoes and malaria.

The crops of vegetables, rice, and fruits in the New Territories have not been so good as in the previous year.

Lists and samples of local plants and vegetable drugs were prepared and submitted to the Honourable Dr. Ho Kai, who was good enough to make a prolonged investigation into their uses by Chinese druggists and herbalists. The lists with Dr. Ho Kai's recommendations as to which of the plants and drugs were worthy of scientific investigation were then forwarded to the Director of the Imperial Institute, London, for report as to whether any of them contained medicinal or toxic qualities, or had economic value. The lists were sent by the Imperial Institute to the Pharmacopœia Committee of the General Medical Council, who reported that there were not sufficient indications of the extent or employment of individual plants to justify the inclusion of any of them in the Colonial Addendum to the British Pharmacopœia. Professor Dunstan added that none of the plants seemed likely to yield products of economic value which are not already known.

Seeds of *Aleurites Fordii*, *Aleurites cordata*, *Soja hispida*, and *Perilla ocymoides*, barks of *Aleurites Fordii*, *Aleurites cordata*, and *Aleurites triloba*, as well as several kinds of vegetable oils were also sent to the Director of the Imperial Institute for a report as to their commercial value and suitability for the English market.

Work on the flora of Hong Kong the New Territories and province has been carried on during the year, and a list with a key to the species, genera, and orders is now nearly complete.

(*e.*)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount received from sales of Crown Land and pier rights after deducting expenses of sales was $40,665, a decrease of $28,693 on the previous year and $155,230 less than the average amount received for the last 5 years. Of this amount $14,401 was received in respect of the sale of various pier sites and extensions to existing piers, $5,318 was received in respect of sales of land in the New Territories, and the remainder from sales of new lots of Crown Land and grants of extensions to existing lots in the island of Hong Kong and Old Kowloon. The chief items were received in respect of sales of building lots in Hollywood Road (Inland Lot No. 1836) and at Shaukiwan (Shaukiwan Inland Lot No. 418).

There has been little demand for new building sites in the City but a general improvement in the land market appears to have commenced and it is generally reported that better prices are obtained than in the previous year.

There has been a considerable number of sales of small building sites for native dwellings and industries in the New Territories where, except in the districts easily accessible to the City of Victoria, land is generally sold at the price of one cent per square foot with an annual Crown Rent at the rate of $50 or $100 per acre according to locality. With the opening up of the Territory by the Railway and the new roads now being constructed, the demand is likely to increase.

There has also been a considerable increase in the amount of waste or uncultivated lands let on annual or short term leases. This system has been adopted to meet the frequent demands of cultivators in the New Territories, who were unable or unwilling to pay a premium for a long lease.

The whole of the extensive oyster beds in Deep Bay formerly held on annual permits have now been granted on leases for 21 years to the occupiers, special stipulations being inserted in the leases for the proper working of the beds.

III.—LEGISLATION.

Forty-six Ordinances were passed during 1909. This number has only once been exceeded in the history of the Colony, namely in 1902, when 47 Ordinances were passed. But of the 1902 Ordinances no less than ten were for the naturalization of certain persons, a matter which, under the Ordinance relating to the Naturalization of Aliens (No. 44 of 1902), no longer requires legislation in each case. Thirty-two of the 1909 Ordinances were Amendment Ordinances. The laws relating to opium were consolidated (No. 23), and the law as to trade marks was recast (No. 40). Ordinances were also passed to regulate the construction and management of railways (No. 21); to authorize the construction and maintenance of a harbour of refuge, the necessity for which was demonstrated by the disastrous typhoon of 1906, at Mong-kok-tsui, in Kowloon, (No. 39); to provide for the periodical inspection of steam boilers and prime movers (No. 32); and to provide for the collection of duties upon intoxicating liquors (No. 27).

IV.—EDUCATION.

There are 71 Government and Grant Schools, the most important of which is Queen's College. Of these 22 are Upper Grade Schools with a staff competent to give instruction on all subjects of the 7th Standard, and above. These latter schools have an average attendance of 4,337, and the medium of instruction in all of them with the exception of five girls' schools, is English. The 49 remaining schools are all Lower Grade. They comprise one school for British Indians, where English and Urdu are taught; four Government and one Grant Anglo-Chinese Schools; and 43 Grant Vernacular Schools. The average attendance at all these Lower Grade Schools is 2,223. The total average attendance, at both Grades of School, is 6,560.

The revenue derived from school fees is $68,204 (of which $40,792 is from Queen's College) and is rapidly increasing; this is mainly to be accounted for by the increasing numbers of Chinese desirous of an English education.

Hongkong is fortunate in including among its schools two limited to children of British parentage. Both these schools (one for boys, the other for girls) are under the Government. In 1909 the combined average attendance at them was 80. As might be expected they have a strong patriotic bias; they are supporters of the Empire League, and the boys' school provides a small but efficient cadet corps.

Higher education is represented by the Technical Institute, where instruction is given in the evening in Mathematics, Machine Drawing, Building Construction, Field Surveying, and allied subjects; in Chemistry and Physics; in the English and French languages, Book-keeping, and Shorthand. There is also a Teachers' Class, at which the junior Chinese masters of Government and Grant Schools are expected to attend. The Institute is furnished with a well equipped laboratory. The lecturers are chiefly Civil Servants recruited from the European staffs of Queen's College and the Public Works Department. These officers receive fees for their services.

A scheme for the foundation of a University is rapidly being matured, the building fund having been furnished by the generosity of Mr. H. N. Mody and the endowment fund by private subscription. It is hoped that the University will be opened with chairs of Medicine, Engineering, and Arts by the beginning of 1912.

V.—PUBLIC WORKS.

Of the principal works in progress, the Kowloon Waterworks Reservoir was not finished as anticipated, owing to the necessity of having to cancel the contract and procure fresh tenders for completion. The trench for the Mongkoktsui breakwater was also not quite completed, owing to special repairs to the dredger *St. Enoch* caused by the typhoon in October. The new Government Offices and Law Courts made fair progress.

The following works were completed:—Extension to Public Works Offices (Annexe); Staff Quarters at Tai Po; alterations for Quarantine Station at Lai Chi Kok; permanent stairway from ball room at Government House; Wongneichong and Tai Kok Tsui latrines; Blake pier shelter; and the following were in hand or under construction:—Market at Kowloon Point; extension to Tai Po land office; additional pupil teachers' room at Queen's College.

The work on reconstruction of gullies and extension of nullah training, Waterloo Road, Kowloon, and nullah near North Point was continued; the former being practically completed. Progress was made in substitution of iron pipes for defective earthenware ones. The extension of Argyle Street was in hand and the raising of Des Vœux (Chatham) Road was completed. In the New Territories the Kowloon City-Shatin Road was completed and the Castle Peak-Ping Shan was nearly finished.

The extension of Green Island Lighthouse Pier was completed; the new reinforced concrete Pier at Kowloon City was under construction and piles were prepared for the Gunpowder Depôt Pier.

The deepening of Causeway Bay was nearly completed. The Albany Filter Beds Extension was finished and good progress was made with the large main to extend the Tytam Waterworks westwards. A section of 3-inch pipe on the Shaukiwan Water System was replaced by a 6-inch pipe.

Much useful work was done under the "Miscellaneous Works" vote; under the votes "Forming and Kerbing Streets" and "Drainage Works, Miscellaneous," the raising of a considerable section of sunken sewers in Connaught Road being carried out.

Compensation was paid for scavenging lanes extension, and land resumed for the new street between Praya East and Queen's Road was paid for.

The total amount expended on Public Works Extraordinary was $1,254,456·93 and on Works Annually Recurrent $409,902·85.

In the sum expended under the former head is included an amount of $438,699.25 which was paid for the acquisition by Government of Kowloon Inland Lots Nos. 443 and 1,140 as a site for the Kowloon-Canton Railway terminus.

The typhoon of October caused damage to the extent of over $50,000, chiefly to roads, telephones, and piers.

Good progress has been made on the earthwork of the British section of the Kowloon-Canton Railway and north of Beacon Hill tunnel and at the end of the year it was practically completed. South of this there remained a good deal to be done to complete Cutting No. 1, the reclamation in Hunghom Bay, and the heavy approaches at the Gascoigne Road Bridge.

The headings of Beacon Hill tunnel met on the 17th May and the tunnel is now finished. Those of Taipo tunnel met on the 28th April and this tunnel is also completed. The other tunnels were completed during the year.

All bridges, with the exception of 2, 3, 4, 8, and certain additions to existing ones, are ready for rails.

The engines arrived in the Colony early in the current year and plate-laying was begun.

The general health of the employees has steadily improved during the year under review. The number of cases necessitating removal to hospital showed a marked decrease in comparison with previous years.

The expenditure during the year was $3,365,860, making a total of $9,617,499.

VI.—GOVERNMENT INSTITUTIONS.

(*a*.)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for women and children, and the Kennedy Town Infectious Diseases Hospital. The Small-pox Hospital Hulk *Hygeia* was sold during the year and its place will now be taken by the Kennedy Town Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease in a ship arriving in the harbour.

The Civil Hospital contains 150 beds in 20 wards. 2,384 in-patients and 16,981 out-patients were treated during 1909. 188 cases of malarial fever were admitted as against 279 in 1908 and 243 in 1907. The Maternity Hospital contains 6 beds for Europeans and 4 for Asiatics. 98 confinements occurred during the year. The Victoria Hospital at the Peak contains 41 beds. During 1909 219 patients, were under treatment. Kennedy Town Hospital contains 26 beds. In 1909 2 cases were treated, both small-pox. On the *Hygeia* 10 cases were treated of which 8 were small-pox.

(*b*.)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 176 patients of all races were treated during 1909 and there were 26 deaths.

(*c*.)—THE TUNG WAH AND OTHER CHINESE HOSPITALS.

This hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The Hospital is managed by a Committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation, and is under the supervision of a visiting physician who is a member of the Medical Department, whilst a Chinese house surgeon trained in medicine is a member of the hospital staff.

The Alice Memorial and affiliated hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society. They consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1909 was 1,201 and the expenditure $12,600. The number of labours in the Maternity Hospital was 198. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives which a removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, three District Plague Hospitals are now maintained by these Chinese in various parts of the Colony and a fourth is being built. They are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

Work on the hospital for Chinese in the Kowloon Peninsula has commenced and at the close of the year good progress had been made with the building. The hospital occupies a site having an area of 3 acres and as designed will ultimately provide accommodation for 210 patients. The buildings in course of erection will contain 70 beds. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Registrar General, but when completed the hospital will form part of the Tung Wah Hospital and be under the same management. This hospital will when opened receive a grant of $8,500 per annum from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Hongkong College of Medicine, and the City Hall; and the Chinese Public Dispensaries which receive no pecuniary assistance from Government.

The Pó Leung is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Registrar-General and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society.

The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance and almost all persons detained by the Registrar-General under that Ordinance are sent to the Pó Leung Kuk. During 1909 the number of persons admitted was 515 and at the close of the year 66 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution under mission auspices founded for rescue work among the Chinese. It is now housed in the Belilios Reformatory and receives a small grant from the Government and also a contribution from the Pó Leung Kuk.

The Hongkong College of Medicine was founded in 1887. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. The lecturers, who are Government officials or private medical practitioners, each receive a small honorarium, the funds being derived from the fees of the students and a Government grant-in-aid of $2,500. The minimum curriculum of study is five years, and the preliminary examination has been accepted by the General Medical Council of Great Britain. 118 students have been enrolled up to date (January, 1910); and of these 39 have become qualified "licentiates." Most of the licentiates have settled in the Colony, and are exerting a most useful influence in the direction of displacing the native medical methods and popularising Western medical and sanitary knowledge, while a considerable number of them are employed as resident surgeons in the hospitals for Chinese, as medical officers in charge of the Public Dispensaries, and as assistant medical officers on the railway works. The work of the College has thus far been carried on in lecture-rooms and laboratories made available in various hospitals, &c., in different parts of the City. Steps were being taken to provide adequate buildings of its own; but action was suspended when the University scheme was proposed. When the University is established, the College will be merged into its Faculty of Medicine.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, &c., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent ($1,280), the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors whose certificates will be accepted by the Registrar of Deaths and with the services of interpreters who can assist the inmates of houses where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the mortuary. The dispensaries receive sick infants and send them to one or other of the convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are seven dispensaries in existence, including one for the boat population on a hulk in Causeway Bay. The total cost of maintenance, which is defrayed by voluntary subscriptions, was $34,100. The dispensaries are conducted by committees under the chairmanship of the Registrar-General.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 9,819, being an increase of 257 or 2·68 per cent. as compared with 1908. In the division of these cases into serious and minor offences there is an increase in the former as compared with the previous year of 103 or 3·17 per cent.

The number of serious offences reported was 103 over the average of the quinquennial period commencing with the year 1905. The number of minor offences reported shows an increase of 154 as compared with 1908, and was 1,000 below the average of the quinquennial period.

The total strength of the Police Force for 1909 was, Europeans 132, Indians 411, Chinese 511, making a total of 1,054 as compared with 1,046 in 1908, exclusive in each case of the five superior officers and staff of clerks and coolies. These figures include police paid for by the railway, private firms, and other Government Departments. Of this force the District Officer, 13 Europeans, 114 Indians, and 46 Chinese were stationed in the New Territories during the year.

The force of District Watchmen to which the Government contributes $2,000 per annum was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 5,215 as compared with 4,778 in 1908. Of these 1,325 were committed for criminal offences, against 1,312 in 1908. Of committals for non-criminal offences there were 35 less under the Prepared Opium Ordinance and 30 more for infringement of sanitary by-laws.

The daily average of prisoners confined in the Gaol was 560, the average for 1908 being 465, and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was ·14 as compared with ·14, the average percentage for the last ten years.

Owing, however, to the large floating population which is constantly moving between the Colony and Canton the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·38 as compared with 1·27 in 1908 and 1·50 in 1907.

Long-sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, washing, carpentry, boot-making, net-making, painting, and white-washing, mat-making, tailoring, oakum-picking, &c. The profit on the work done was $43,946 as against $45,420 in 1908.

There was $4,809 received and credited to Government for non-Government work against $5,012 in 1908.

The use of the Belilios Reformatory as an overflow prison having been discontinued, it became necessary to consider an extension of Victoria Gaol and it was found possible by pulling down the offices and stores and re-erecting them in another position with economy of space, to make room for a ward containing 78 cells with yard attached. A contract for this work was let at the beginning of the current year.

IX.—VITAL STATISTICS.

(*a.*)—POPULATION.

The population of the Colony according to the census taken in 1901 was 283,975, while at the census taken in 1906 it was 301,967 exclusive of the New Territories, New Kowloon, and the Army and Navy Establishments. The estimated population at the middle of the year under review was 428,888, as follows:—

Non-Chinese Civil Community		14,000
Chinese Population—		
Hong Kong	199,550	
Kowloon	74,600	
Floating Population	46,240	
Mercantile Marine	2,770	
		323,160
Army (average strength)	4,500	
Navy (average strength)	2,217	
		6,717
New Territories (exclusive of Kowloon)		85,011
Total		428,888

(*b.*)—PUBLIC HEALTH AND SANITATION.

During the year under review considerable progress has been made in rendering existing domestic buildings rat-proof as a preventive of plague, 391 ground surfaces of houses have been repaired, and 1,048 buildings have had rat-runs filled up with cement. In addition 20 basements illegally inhabited have been vacated.

New buildings (domestic) to the number of 128 were erected during the year and in these the effect of the present Ordinance is seen in the increased amount of open space about the houses, which the law requires. Scavenging lanes which have to be provided in the rear of new houses also increase the open space about them and tend to reduce overcrowding.

The general death-rate for the year was 21·68 per 1,000 among the Chinese community and 12·45 per 1,000 among the Non-Chinese community as compared with 28·35 and 14·78 respectively during 1908.

During the year there were 108 deaths from plague compared with 986 in 1908 and 198 in 1907.

There were 2,514 deaths from respiratory diseases amongst the Chinese, 751 of which were due to phthisis, a percentage of 10·7 of the total deaths amongst that community.

Beri-beri caused 545 deaths—as against 736 in 1908.

The deaths from malaria were 420 as against 499 in 1908 and 579 in 1907. Military returns of admissions to hospital for malaria show a reduction in the incidence of this disease, as compared with the year 1908. There were 268 admissions in 1909 being a ratio per thousand of the garrison of 59, against 515 in 1908 (115 per thousand).

Owing to the general improvement in the sanitary condition of the Colony and to the simplification of the methods of dealing with plague cases and plague-infected houses since the publication of the final Report of the Indian Plague Commission in 1908, it has been found possible to reduce the number of Sanitary Inspectors by the abolition of five special Plague Inspectors whose duties are now performed by the District Inspectors. It has also been possible to effect a very considerable economy in the matter of the disinfection of plague-infected houses, as a cheap pulicide is now used in the place of the more expensive disinfectants.

(*c.*)—CLIMATE.

The average monthly temperature throughout the year was 72·7° F. as compared with 71·8° F. in 1908 and 72·0° F. during the ten preceding years. The mean maximum monthly temperature was attained in August, when it reached 87·5° F., and the mean minimum monthly temperature was recorded in February, when it was 57·0° F. The highest recorded temperature during the year was 90·8° F. on the 30th July, and the lowest 48·7° F. on the 8th February.

The total rainfall for the year was 75·72 inches as compared with an average of 80·79 inches during the ten preceding years. The wettest month was October with 23·98 inches, the driest, December, when no rainfall was recorded. The greatest amount of rain which fell on any one day was 6·37 inches on the 19th October, while no rain fell on 220 days of the year. The mean relative humidity of the atmosphere for the year was 77 per cent., as compared with an average of 77 per cent. during the ten preceding years. The average daily amount of sunshine was 5·4 hours, being 48 per cent. of the possible duration.

These figures are those recorded at the Observatory, Kowloon, and there is a very considerable divergence between that place and Hong Kong (low levels), the Peak district, or Tai Po (New Territories), both in rainfall, temperature, and humidity.

X.—POSTAL SERVICE.

The total receipts paid into the Treasury in 1909 by the Postal Department amounted to $657,027.65 from which sum $212,981.07 was transferred to other heads of General Revenue under which fees and duties are paid in postage stamps, which are now sold exclusively by the Post Office, leaving the sum of $444,046.58 as the approximate revenue from the Postal Service. The total expenditure amounted to $510,729.99. The result of the year's working shows a deficit of $66,683.41 which is due to the fourth quarterly payment of the P. & O. subsidy for the year 1908 being made in 1909 instead of in the year in which it was due, to increased transit payments on the basis of the weight of correspondence despatched during November, 1907, under the Convention of Rome, and to increase in the volume of correspondence sent by the trans-Siberian Railway.

This Colony commenced to forward direct closed mails to the United Kingdom and Germany *viâ* Shanghai, Dalny and the trans-Siberian Railway on 24th April. The parcel post arrangement between this Colony and China came into operation on 1st October. The cash on delivery service in connection with parcels exchanged with the United Kingdom was adopted by this Colony on 1st May.

XI.—MILITARY EXPENDITURE.

(*a.*)—COLONIAL CONTRIBUTION.

The Colony contributed $1,226,441 (being the statutory contribution of 20 per cent. of the Revenue) towards the cost of the maintenance of the Regular Forces in the Colony including Barrack Services and Defence Works.

(*b.*)—VOLUNTEER CORPS.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $38,393 compared with $45,554 in 1908.

XII.—GENERAL OBSERVATIONS.

The assessment made for the year 1909-1910 (1st July to 30th June), shows a slight decrease in the rateable value of the whole Colony of 0·60 per cent. In Shaukiwan, the Hong Kong villages, Kowloon Point, Yaumati, Hunghom, and Kowloon villages there is an increase ranging from 0·44 per cent. to 10·53 per cent., but a decrease is shown in the City of Victoria of 2·00 per cent., in the Hill District of 0·31 per cent., and in Mongkoktsui of 9·73 per cent. There is a noticeable increase in New Kowloon of $41,543 or 66·66 per cent.

The average rate of exchange (demand on London) which had been 1*s.* 9·6727*d.* to the dollar for 1908 fell to 1*s.* 9·0601*d.* for 1909.

The position with regard to subsidiary coins remained unsatisfactory, and during 1909 the Government withdrew from circulation silver subsidiary coin amounting to the face value of $779,712 and copper to the face value of $40,646. These coins were shipped to England where they were melted down and sold as bullion for £57,757 1*s.* 4*d.* and £1,535 0*s.* 1*d.* respectively. The loss to revenue by this transaction amounted to $76,863.17. The discount during the year on Hong Kong subsidiary coin varied between 4 per cent. and 7½ per cent., and on Chinese subsidiary coin 4½ per cent. and 8 per cent. Hong Kong copper cents were from 105 to 120 per $1, and Chinese copper cents from 112 to 123 per $1. Negotiations continued without success between this Government and the Chinese authorities with a view to decreasing the excess of Chinese subsidiary coin.

In pursuance of the policy of His Majesty's Government, 26 opium divans were closed on the 1st March, 1909, and compensation amounting to $11,613 was paid to the divan-keepers. All remaining divan-keepers both in the Colony and the New Territories were notified that no licences would be renewed after the 28th February, 1910. The opium laws of the Colony were consolidated in September last, and were amended so as to give full effect to the recommendations made by the International Opium Conference, which sat at Shanghai during February, 1909, and to the policy of His Majesty's Government. Tenders for the lease of a new opium farm for three years from the 1st March, 1910, were called for, and the lease was granted to Messrs. Ho Komtong, Ng Li-ling, Lau Chü-pak and Ch'an K'ai-meng, at an annual rental of $1,183,200. This means a loss to the revenue of $225,860 during 1910 and of $270,660 during each of the years 1911 and 1912.

The restrictions on the consumption of opium both inside and outside the Colony are as follow:—

(1.) The smoking of opium is restricted in Hong Kong primarily by the existence of a monopoly under which the sole right of preparing opium for smoking and of selling the prepared drug is vested in a monopolist who is thus enabled to charge a very high price for the drug. The selling price of prepared opium and dross opium is $4.50 and $2.00, respectively, per Chinese ounce (=1⅓ oz.) The monopolist alone can import prepared opium.

(2.) Opium divans (or opium dens as they are called by some) have been closed, as explained in the preceding paragraph. Heavy penalties are imposed for the illicit opening of a divan. Persons found smoking in a divan are liable to fine, and persons found in, or escaping from, a divan are, under the law, presumed to have been smoking therein.

(3.) Penalties are imposed on any person who administers by injection or furnishes morphine to any other person except under prescription from a qualified medical practitioner.

(4.) The importation for sale or use within the Colony, the preparation, manufacture, and sale, of morphine and compounds of opium are restricted by licence.

Licences are restricted to a few chemists and druggists of good repute, who have to pay a royalty to the monopolist referred to in (1) of ten dollars per tael of morphine and four dollars per tael of compound of opium other than morphine. The price is thereby enhanced. Under the conditions of these licences morphine and compounds of opium may not be sold to the general public in quantities less than of the value of 20 cents. The vendor must supply the purchaser at the time of sale with a counterfoil certificate.

The possession of morphine and compounds of opium without such certificate is illegal, and in quantities exceeding 12 official doses whether covered by certificates or not.

Supervision of the trade in these drugs is ensured by the compulsory keeping of books by the licensees, which are open to inspection.

Opium, morphine, and compounds of opium are declared to be poisons under the Pharmacy Ordinance. Under the provisions of that Ordinance the seller must mark in English and Chinese the bottle or other package containing any such article with the name of the article, the word "poison" and the name and address of the seller. In addition, under the conditions of the licence above referred to, medicines purporting to be for the cure or relief of the opium habit, or to be substitutes for opium smoking or taking or for the morphine habit, and themselves containing opium, morphine, or any compound of opium must bear a label to such effect in Chinese writing for the information of the purchaser.

The import, for purposes of export, of morphine and compounds of opium is regulated by licence under conditions for storage in a bonded warehouse and for the keeping of books, whereby the trade is supervised.

The export of prepared opium or dross opium by any person (including the monopolist of the preparation and sale of prepared opium) to China, French Indo-China, or any country which prohibits the import of prepared opium or dross opium, is illegal.

The export of prepared opium and dross opium to countries to which it is lawful to export them, is only allowed under permit.

Similarly the export of morpine and compounds of opium to countries which prohibit their import is illegal.

Stringent regulations are in force for regulating the trade in cocaine, its derivatives and compounds, with a view to prevent their use as substitutes for opium.

In order to replace the revenue lost on opium, a law was passed on the 17th of last September imposing duties on intoxicating liquors consumed in the Colony, and in this connection the Imports and Exports Office was reorganized, Lieut. Beckwith, R.N., the Assistant Harbour Master, being appointed Superintendent. By the close of the year a sum of $101,844.20 had been realized from the new liquor duties.

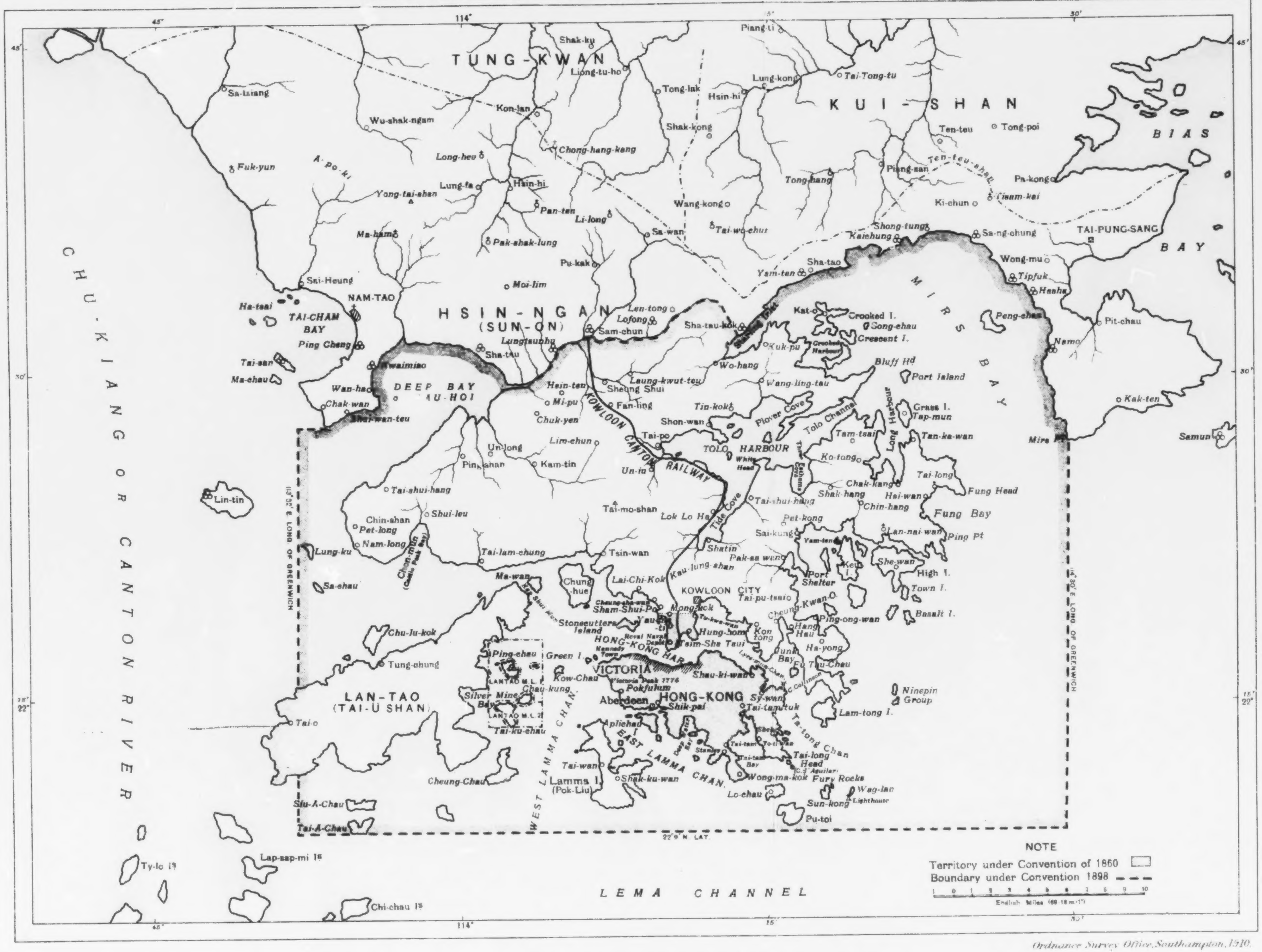
Much progress was made with the collection of an endowment fund for the proposed Hong Kong University. The Government of Macao made a donation of $8,422 and the Chinese Government one of $13,608. Messrs. Butterfield and Swire and their allied firms contributed £40,000, and His Excellency Cheung Yan-tsun, Governor-General of the Liang Kuang Provinces, $200,000; Chinese residents in Weichow, through Mr. Chang Pat-sze, $92,764; Chinese residents in Hong Kong, $198,000; Chinese residents in Canton, $13,971; Chinese residents in Saigon, $10,000; the Hong Kong and Shanghai Bank, $50,000; Messrs. Jardine, Matheson & Co., $25,000; and Messrs. David Sassoon & Co., Messrs. E. D. Sassoon & Co., the Chartered Bank of India, Australia, and China, and Messrs. Chater and Mody, $10,000 each. Other sums have been promised. Mr. Ng Li-hing, a resident in the Colony, has undertaken to transfer a sum of $50,000 originally intended for the Hong Kong College of Medicine to the University, and the Chinese residents of Saigon have promised a second subscription of $31,000. The total fund at the close of the year stood at $1,279,164. His Majesty's Government, as a token of their sympathy with the undertaking, granted a sum of £300 per annum for the endowment of a scholarship at the proposed University, and His Majesty the King was graciously pleased to permit the holders of this scholarship to be designated as "King Edward the Seventh Scholars." A site for the University was selected at the junction of the Pokfulam and Bonham roads, and at the beginning of the current year the foundation stone was laid by Sir Frederick Lugard.

Between the 19th and 20th of October a very severe typhoon struck the Colony. Timely warning of the approaching storm was fortunately given from the Observatory. The damage done to Government property cost over $50,000 in repairs. Private property also suffered severely. The destroyers H.M.S. "Handy" and H.M.S. "Janus" were kindly sent by Commodore (now Rear-Admiral) Lyon to the assistance of a number of disabled junks which were reported to the south-west of the Gap Rock lighthouse. These towed in four disabled junks and distributed rice and water to other junks which were short of provisions. A tug hired by Government was also sent out, and brought in 52 shipwrecked Chinese and one junk. Later, the destroyers, accompanied by H.M.S. "Cadmus," made a further and more extended search in consequence of a report that there were other derelict junks in need of assistance. They returned after a three days' cruise without having found any more vessels. It is presumed that with a change of wind these would have gained the mainland. In addition to these rescues, the Ocean Steamship Company's S.S. "Telemachus" brought in 11 shipwrecked Chinese; and a German steamer, the S.S. "Mathilde" towed in six junks—a very creditable performance. Two other steamers brought in 16 men and a junk. The total saved was 82 men and 11 junks.

In June General Sir J. Machado, K.C.M.G., and Kao Erh Chün, Portuguese Commissioner and Chinese Commissioner respectively for the delimitation of the boundaries of Macao, arrived in Hong Kong, where they held their deliberations in the house of the Consul-General for Portugal. The Conference closed on the 13th November.

The Victoria Recreation Club, which, under the style of the Victoria Regatta Club, held its first regatta in 1849, and is the

HONG-KONG, KOWLOON AND ADJACENT TERRITORIES.


TUNG-KWAN
Shak-ku
Liong-tu-ho
Piang-ti
Lung-kong
Tai-Tong-tu
KUI-SHAN
Tong-lak
Hsin-hi
Sa-tsiang
Kon-lan
Wu-shak-ngam
Shak-kong
Ten-teu
Tong-poi
BIAS
Long-heu
Chong-hang-kang
Fuk-yun
A-po-ki
Lung-fa
Hsin-hi
Tong-hang
Piang-san
Ten-teu-shan
Pa-kong
Yong-tai-shan
Pan-ten
Wang-kong
Ki-chun
Tsam-kai
Li-long
Ma-ham
Pak-shak-lung
Sa-wan
Tai-wo-chui
Shong-tung
Kaichung
Sa-ng-chung
TAI-PUNG-SANG
BAY
Pu-kak
Sha-tao
Wong-mu
Yam-ten
Tipfuk
Hsaha
Sai-Heung
Moi-lim
MIRS BAY
NAM-TAO
Ha-tsai
TAI-CHAM BAY
HSIN-NGAN (SUN-ON)
Len-tong
Lofong
Sam-chun
Sha-tau-kok
Starling Inlet
Kat-o
Crooked I.
Song-chau
Crescent I.
Crooked Harbour
Peng-chau
Pit-chau
Ping Cheng
Lungtsunhu
Sha-tau
Kuk-pu
Namo
Tai-san
Ma-chau
Kwaimiao
Wo-hang
Bluff Hd
Port Island
Wan-hao
DEEP BAY
HAU-HOI
Hsin-ten
Sheung Shui
Laung-kwut-teu
Wang-ling-tau
Chak-wan
Shai-wan-teu
Mi-pu
Fan-ling
Tin-kok
Plover Cove
Grass I.
Tap-mun
Kak-ten
Chuk-yen
Shon-wan
Tolo Channel
Long Harbour
Tam-tsai
Tan-ka-wan
Mirs
Samun
Un-long
Lim-chun
Tai-po
TOLO HARBOUR
White Head
Three Fathoms Cove
Ko-tong
Pin-shan
Kam-tin
KOWLOON CANTON RAILWAY
Un-iu
Tai-long
Chak-kang
Shai-hang
Hai-wan
Fung Head
CHU-KIANG OR CANTON RIVER
Tai-shui-hang
Lin-tin
Tai-shui-hang
Chin-hang
Tai-mo-shan
Lok Lo Ha
Tide Cove
Fung Bay
Shui-leu
Pet-kong
Chin-shan
Pet-long
Sai-kung
Lan-nai-wan
Ping Pt
Nam-long
Castle Peak Bay
Vam-tem
Lung-ku
Tai-lam-chung
Tsin-wan
Shatin
Pak-sa-wen
Kau-lung-shan
Port Shelter
Keu
She-wan
High I.
Town I.
Sa-chau
Ma-wan
Chung-hue
Lai-Chi-Kok
KOWLOON CITY
Tai-pu-tsai
Cheung-Kwan-O
Basalt I.
Cheung-sha-wan
Sham-Shui-Po
Mongkok
Stonecutters Island
Yaumati
Hang Hau
Ping-ong-wan
Chu-lu-kok
Royal Naval Depot
HONG-KONG HARBOUR
Hung-hom
Tsim-Sha Tsui
Kowloon
Ha-yong
Ping-chau
Green I.
Kennedy Town
VICTORIA
Junk Bay
Fu Tau-Chau
Tung-chung
Kow-Chau
Victoria Peak 1774
Shau-ki-wan
Lye-mun
C. Collinson
Ninepin Group
LANTAO M.L.
Chau-kung
Pokfulum
LAN-TAO (TAI-U SHAN)
Silver Mine Bay
Aberdeen
HONG-KONG
Shik-pai
Sy-wan
Tai-tam-tuk
Lam-tong I.
LANTAO M.L. 2
Tai-ku-chau
Tai-o
Aplichau I
WEST LAMMA CHAN.
EAST LAMMA CHAN.
Deep Water Bay
Stanley
Tai-tam
To-ti-wan
Tai-tam Bay
Tai-long Head
C. D'Aguilar
Ta-tong Chan
Tai-wan
Lamma I. (Pok-Liu)
Shak-ku-wan
Wong-ma-kok
Fury Rocks
Wag-lan Lighthouse
Cheung-Chau
Lo-chau
Sun-kong
Po-toi
Siu-A-Chau
Tai-A-Chau
Ty-lo
Lap-sap-mi
Chi-chau
LEMA CHANNEL
113°50' E. LONG. OF GREENWICH
114°30' E. LONG. OF GREENWICH
22°9' N. LAT.
45'
114°
15'
30'
22°
NOTE
Territory under Convention of 1860
Boundary under Convention 1898
English Miles

Ordnance Survey Office, Southampton, 1910.

oldest athletic club in the Colony, successfully celebrated its sixtieth anniversary on the 10th of July at its handsome new club house on an extension, adjoining the Naval Yard, of what was formerly Murray Pier.

On the 27th of November the Club Germania commemorated its fiftieth anniversary, a large number of the English community, including His Excellency the Governor, being present.

On the 21st of April Mr. George Murray Bain, who has been aptly called the doyen of the Press in the Far East, passed away after some months of precarious health. Mr. Murray Bain came to the Colony in 1864 as sub-editor of the "China Mail." In 1872 he became proprietor of the paper with which he was successfully and honourably identified up to the time of his death.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
620	Barbados	1908–1909
621	Trinidad and Tobago	"
622	Straits Settlements	1908
623	Somaliland	1908–1909
624	Mauritius	1908
625	St. Vincent	1908–1909
626	Jamaica	"
627	Swaziland	"
628	Grenada	1908
629	Leeward Islands	1908–1909
630	Southern Nigeria	1908
631	British Honduras	"
632	British Guiana	1908–1909
633	Northern Nigeria	"
634	Basutoland	"
635	East Africa Protectorate	"
636	Uganda	"
637	Weihaiwei	1909
638	St. Helena	"
639	Northern Territories of the Gold Coast	"
640	Ashanti	"
641	Gambia	"
642	Malta	1909–1910
643	Seychelles	1909
644	Colonial Survey Committee	1909–1910
645	Falkland Islands	"
646	Turks and Caicos Islands	1909
647	Gibraltar	"
648	Sierra Leone	"
649	Somaliland	1909–1910
650	Bahamas	"
651	Tongan Islands Protectorate	"
652	Bechuanaland Protectorate	1909–1910
653	Ceylon	1909
654	Gold Coast	"
655	Nyasaland	1909–1910
656	Imperial Institute	1909
657	Fiji	"
658	Grenada	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
64	Uganda	Botany and Forestry.
65	Do.	Sleeping Sickness.
66	Gold Coast	Forests.
67	Southern Nigeria	Mineral Survey, 1905–6.
68	Do. do.	Do. 1906–7.
69	St. Helena	Fisheries.
70	Colonies	List of Laws relating to Patents, Trade Marks, &c.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane, 1910.
73	Jamaica	Cayman Islands.
74	Ceylon	Mineral Survey 1906–7 and 1907–8.

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1910.

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No. 691.

HONG KONG.

REPORT FOR 1910.

(For Report for 1909, *see* No. 659.)

Presented to both Houses of Parliament by Command of His Majesty.
October, 1911.

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No. 691.

HONG KONG.

(For Report for 1909, *see* No. 659.)

THE GOVERNOR to THE SECRETARY OF STATE.

Government House,
Hong Kong,
12th August, 1911.

SIR,

I HAVE the honour to submit, for your information, the following general report on the annual Blue Book for the year 1910.

I.—FINANCES.

(*a*.) GENERAL REVENUE AND EXPENDITURE.

The Revenue for the year, exclusive of Extraordinary Revenue and Widows' and Orphans' Fund Contributions, amounted to $6,628,183 or $341,350 more than for the previous year. The extraordinary revenue amounted to $332,686 or $203,448 less than in 1909. The total revenue from all sources was $6,960,869 or $137,902 more than in the previous year, and $52,072 more than the estimate.

Compared with the previous year's returns there were increases under every head of ordinary revenue with the exception of Interest and Miscellaneous Receipts. Of the increase of $239,295 in Licences and Internal Revenue the item Companies Local Registers accounts for $18,001 and Stamps Duties for $127,812. The principal increases under Fees of Court are Companies Registration $12,823 and Deeds Registration $5,837. Post Office shows an improvement of $75,019. These various items seem to indicate the beginning of a revival in trade as does also the increase of $31,090 in Land Sales.

The expenditure for the year was $5,702,290 exclusive of Public Works Extraordinary; inclusive of that item it was $6,907,113 or $364,274 more than the total expenditure for 1909.

The average rate of exchange for the year was 1*s*. 9·6*d*.

The expenditure of the year was more than the estimate by $44,429.

The year's working resulted in a surplus of $53,655 instead of the anticipated deficit of $42,745.

The following table shows the total revenue and expenditure for the five years 1906-10:—

—	1906.	1907.	1908.	1909.	1910.
	$	$	$	$	$
Revenue*	7,035,011	6,602,280	6,104,207	6,822,967	6,960,869
Expenditure* ...	6,832,610	5,757,203	6,573,341	6,542,839	6,907,113
Surplus	202,401	845,077	—	280,128	53,756
Deficit	—	—	469,134	—	—

* Railway Account Disbursements and Reimbursements omitted.

(*b*.) COLONIAL CONTRIBUTION FOR DEFENCE.

The Colony contributed $1,372,486 (being the statutory contribution of 20 per cent. of the estimated revenue for 1910, together with $46,629 arrears on account of under-estimate in 1909), towards the cost of the maintenance of military forces in the Colony, including barrack services and defence works.

(*c*.) ASSETS AND LIABILITIES.

At the end of the year 1910, the assets of the Colony amounted to $6,551,129. The total liabilities were $5,144,204, so that the balance of assets over liabilities amounted to $1,406,925.

(*d*.) PUBLIC DEBT.

A loan consisting of inscribed stock at 3½ per cent. interest, £341,799, was incurred in 1893 for Praya Reclamation, Central Market, Water, Drainage, and Sewerage Works, &c., to be paid off on 15th April, 1943.

A second loan, consisting of inscribed stock £1,143,933 at 3½ per cent., was raised in 1906 to cover a loan to the Viceroy of Wuchang of £1,100,000. The Viceroy, in accordance with the terms of the loan, had up to the end of 1910 repaid £550,000, which was placed to the credit of a special account for construction of the British section of the Kowloon-Canton Railway.

The contributions paid into the Joint Sinking Fund, with accrued interest from investments thereof, came to £98,892 4*s*. 1*d*. on the 31st of December, 1910, but the value of the fund, according to market prices, was £97,759 6*s*. 10*d*.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a*.) SHIPPING AND TRADE.

The total of the shipping entering and clearing at ports in the Colony during the year 1910 amounted to 547,164 vessels of 36,534,361 tons, which, compared with figures for 1909, shows an increase in numbers of 19,884 vessels, with an increase of 1,703,516 tons. These totals are the largest yet reached, exceeding all previous records by 15,052 vessels and 506,051 tons.

Of the above, 40,714 vessels of 23,160,256 tons were engaged in foreign trade, as against 43,794 of 22,415,125 tons in 1909, and were distributed as follows:—

—	1910. Numbers.	1909. Numbers.	1910. Tonnage.	1909. Tonnage.
	Per cent.	Per cent	Per cent.	Per cent.
British ocean-going ships represented.	10·5	9·3	35·0	34·5
Foreign ocean-going ships represented.	10·6	9·8	35·0	35·1
British river steamers represented.	16·0	13·2	17·3	16·5
Foreign river steamers represented.	3·3	3·2	3·0	3·3
Steamships (not exceeding 60 tons) represented.	7·7	7·2	0·6	0·6
Trading junks represented ...	51·9	57·3	9·1	10·0
	100·0	100·0	100·0	100·0

The movements of fishing junks are not included in the above figures.

Of ships of European construction, 4,276 ocean steamers, 8 sailing ships, 3,910 river steamers, and 1,569 steamships not exceeding 60 tons entered during the year, giving a daily average entry of 26·7 ships, as compared with 25·6 in 1909 and 26·8 in 1908.

The average tonnage of individual ocean vessels entering the port has once more increased—from 2,390·4 tons to 2,457·3 tons. That of British ships has increased (2,594·5 tons as against 2,494 tons) while that of foreign ships has increased from 2,205·3 tons to 2,324·1 tons.

During the past 20 years, the average tonnage of ocean vessels has increased from 1,179 tons to 2,457·3 tons.

The average tonnage of river steamers entered during the year has again decreased, from 620·6 tons to 602·1 tons. That of British river steamers has decreased from 640·4 tons to 617 tons and that of foreign river steamers from 538·1 tons to 529 tons.

A comparison between the years 1909 and 1910 is given in the following table:—

Class of Vessels.	1909.		1910.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British ocean-going...	4,076	7,735,927	4,262	8,111,946	186	376,019	—	—
Foreign ocean-going	4,318	7,857,908	4,312	8,103,969	—	246,061	6	—
British river steamers.	5,780	3,701,754	6,483	4,000,073	703	298,319	—	—
Foreign river steamers.	1,370	735,682	1,334	706,616	—	—	36	29,066
Steamships under 60 tons (Foreign trade).	3,160	140,484	3,153	136,765	—	—	7	3,719
Junks (Foreign trade)	25,090	2,243,370	‡21,170	2,100,887	—	—	3,920	142,483
Total Foreign trade.	43,794.	22,415,125	40,714	23,160,256	889	920,399	3,969	175,268
Steam-launches plying in waters of Colony.	439,988	10,328,400	§466,014	10,986,234	26,026	657,834	—	—
Junks, Local trade ...	*43,498	*2,087,320	†40,436	†2,387,871	—	300,551	3,062	—
Grand Total ...	527,280	34,830,845	547,164	36,534,361	26,915	1,878,784	7,031	175,268
			Net		19,884	1,703,516	—	—

* Including 19,094 Conservancy and Dust boats of 1,022,676 tons.

† „ 21,056 „ „ 1,540,984 „

From October, 1910, Dust boats are eliminated and will not be recorded in future returns, the work being done by Government craft.

‡ Decrease owing to low rate of freights ruling in river steamers.

§ The figures shown represent number of trips made within and without the Harbour.

This table shows an increase in British ocean shipping of 186 ships of 376,019 tons, or of 4·5 per cent. in numbers, and of 4·8 per cent. in tonnage. This seems to indicate a resumption of the usual small annual increase in British shipping which has been so constant a feature in each normal year.

British river steamers have recovered from the large decrease shown in 1909, and have added considerably in numbers to the figures for 1908, though the tonnage does not come up to that for the earlier year. The increase shown over the figures for 1909—703 ships of 298,319 tons or 12·1 per cent. in numbers, and 8 per cent. in tonnage—is due to the fact that the large Canton river steamers have made more trips; that some of the small steamers have been transferred from the West River to the Canton run, and so run more frequently, and that many of the smaller steamers have made periodical excursion runs to ports other than their usual ones, while continuing to ply regularly on their usual runs.

Foreign ocean vessels have decreased by 6 ships, or 0·14 per cent., while their collective tonnage has increased by 246,061 tons, or 3·1 per cent. This result is due to increases of 27, 19, and 42 ships under Japanese, Norwegian, and Chinese respectively, which are counterbalanced by decreases of 26, 55, 14, 8, and 7 ships under German, Portuguese, Swedish, French, and United States respectively; but the tonnage has generally increased, except under Portuguese, Swedish, and United States. The loss in numbers is due chiefly to Portuguese, where a fall of 55 ships involved only 14,655 tons, while that under German, of 26 ships, was accompanied by a rise in tonnage of 54,193 tons.

Foreign river steamers have decreased by 36 ships (or 2·6 per cent.) of 29,066 tons or 3·9 per cent.). This is accounted for by the laying up for some four months of a Portuguese river steamer, the "Sui Cheong," which previously plied regularly.

As in former years, I here insert a comparison between the shipping of the port twenty years ago and to-day. In 1890, 2,772 British ships of 3,507,945 net register tons entered the port, against 10,745 ships of 12,112,019 net register tons in 1910—an increase of 287·6 per cent. in numbers and of 245·2 per cent. in tonnage. These figures include ocean and river steamers and ocean-going sailing ships (not junks). In the same way foreign shipping during the same period has increased from 1,442 ships of 1,385,788 net register tons in 1890 to 5,646 ships of 8,810,585 net register tons—an increase of 291·3 per cent. in numbers and of 535·8 per cent. in tonnage.

The actual number of individual ocean vessels of European type of construction entering during 1910 was 734, being 365 British and 369 foreign. The corresponding figures for 1909 were 704, 336, and 368 respectively.

These 734 ships aggregated 1,804,675 tons. They entered 4,284 times, giving a collective tonnage of 8,112,985 tons. Thus, compared with 1909, 30 more ships, with a tonnage increased by 121,836 tons, entered 86 more times, and gave a collective tonnage greater by 316,609 tons.

Thus:—

Flag.	Steamers.		No. of Times entered.		Total Tonnage.	
	1909.	1910.	1909.	1910.	1909.	1910.
British—						
Steamers	331	360	2,054	2,124	3,854,571	4,041,557
Sailing	5	5	7	7	17,683	17,663
German	108	113	735	722	1,176,322	1,206,757
Japanese—						
Steamers	98	101	493	507	1,283,330	1,341,083
Sailing	—	1	—	1	—	138
Norwegian	43	34	212	223	227,341	236,334
Austrian	7	7	24	24	94,288	95,062
Chinese	24	22	232	250	290,936	314,879
Corean	1	0	1	—	796	—
Danish	5	6	16	20	31,426	33,165
Dutch	17	16	105	108	207,190	214,737
French	32	35	148	144	262,459	262,670
Italian	2	3	11	13	28,470	34,496
Portuguese	4	3	94	66	36,927	29,478
Russian	5	7	9	10	19,584	28,803
Swedish	5	5	35	27	53,726	45,398
U.S.A.	17	15	42	37	211,327	210,466
No Flag	—	1	—	1	—	299
Total	704	734	4,198	4,284	7,796,376	8,112,985

TRADE.

As pointed out in previous reports, the figures which used to appear under this heading were, as a whole, so inaccurate as to be, in some cases, most misleading. They have, therefore, been omitted from this, as from my three previous annual reports. However, in certain items of the import trade, fairly accurate details are available, and as to these the following remarks may be of interest.

Coal.—1,115,120 tons were imported during the year. This quantity, compared with the imports for 1909, shows a decrease of 11,716 tons, or 1·04 per cent. This decrease is so small as to be negligible, but is explained by the dull tone of the market in the Colony throughout the year 1910, and the necessity of adjusting stocks after the somewhat largely increased imports of 1909. Of the various varieties of coal imported, Japanese heads the list. Next comes that from North China and Manchuria, which holds its own, it not actually increasing. Cardiff, though only used by men-of-war, and imported almost solely by the Admiralty, comes third. There have been increased shipments from Hongay; but from Australia and India large decreases appear, while no Labuan coal was imported during the year.

I remarked last year upon the fact that, in spite of the large increase in coal imported, the shipments of bunker coal in the Colony had fallen off considerably. This year, the opposite occurred. There is a falling off in imports, but an increase of 22,140 tons, or 3·5 per cent., in the quantity of bunker coal shipped. But, of the total amount of coal imported, little more than half is shipped as bunker coal, the remainder being re-exported.

Kerosene Oil.—Here, enormous increases are reported: in bulk oil of 20,559 tons or 57·7 per cent., and in case oil of 13,989 tons or 38·6 per cent., while liquid fuel has increased by 5,089 tons or 117·2 per cent. These increases appear to be due to competition between the Asiatic Petroleum Company and the Standard Oil Company, whose business is largely increasing in the interior of China in consequence of their activity in opening up new distributing centres.

As last year, I add a few remarks about certain other items of import of which I have been able to collect information.

Opium.—The imports of raw opium show a decrease of 3,990½ chests, or 11·1 per cent., while 1909 showed a decrease of 6,087 chests or 14·5 per cent. The exports declined by 7,641½ chests, or 21·2 per cent., in 1909 the decrease was 3,620 chests, or 9·7 per cent. During the last three years the raw opium trade of the Colony is described by the following figures:—

—	1910.	1909.	1908.
	Chests.	Chests.	Chests.
Stock in hand 1st January	4,509	5,808	4,707
Imported during the year	31,743	35,734	41,821
Total	36,252	41,542	46,528

——	1910.	1909.	1908.
	Chests.	Chests.	Chests.
Boiled by opium farmer	782	1,044	864
Spurious opium destroyed	14	51	247
Exported during the year	28,333	35,938	39,609
Total	29,129	37,033	40,720
Stock remaining on 31st December...	7,123	4,509	5,808

Of the several varieties of opium imported, Malwa decreased by 315 chests, or 6 per cent., Patna by 3,241 chests, or 16·6 per cent., Benares by 1,885 chests, or 22·5 per cent., and Persian increased by 249½ chests. Of Chinese opium 1,223 chests were imported from Shanghai and re-exported to Haiphong.

Of the several varieties of opium exported, Malwa decreased by 735½ chests or 13·8 per cent., Patna by 5,317 chests or 27 per cent., Benares by 2,273 chests or 26·8 per cent., and Persian by 517 chests or 18·8 per cent.

The trade in compounds of opium and morphia also declined considerably. In the former imports fell by 43 per cent. and exports by 47 per cent., while in the latter the decreases were 9·6 per cent. and 44 per cent. respectively.

Sugar.—The imports of sugar show a considerable decrease of 94,528 tons, or 27·8 per cent., as against an increase of 89,766 tons last year. This seems to be due to an overstocked market with prices ruling low.

Cotton and Cotton Yarn.—Here is shown, again, a large increase of 10,114 tons, or 15·7 per cent., added to the increase reported last year. This seems to be borne out by facts, though the increase was in yarn entirely, hardly any cotton having been imported (owing to the high prices ruling in India, and the Chinese product being exceptionally cheap and of good quality this year). The yarn market, though considerable fluctuations in price occurred during the year, was strong, and, the demand being great and prices generally favourable, large imports were made.

Flour.—Here our returns show the enormous falling-off of 26,279 tons or 44·9 per cent. This was due to the virtual cessation of the flour trade in the Colony during the first six months of the year, owing to high prices of American flour, and the competition of the Shanghai Mills, which shipped their products direct to Chinese ports, instead of to Hong Kong for distribution. Matters improved during the last six months, owing to the Shanghai Mills being short of wheat, while such as they had was of poor quality. The result was a recrudescence of trade with Hong Kong on the part of Canton, Amoy, Foochow, &c., which ports had previously been served by Shanghai, and the import of American flour immediately recommenced in unusually large quantities.

Rice.—There is an increase in this item of 183,662 tons, or 33·9 per cent. This large rise is undoubtedly due to the almost total failure of the Chinese first crops, owing to the continued drought in the spring and summer, and to the partial failure of the second crop in parts of Kwangtung. The demand for Saigon and Bangkok rice was consequently unusually large, and the supply was equal to the demand. However, during November shipments declined, because the local supply was sufficient for the needs of the districts. In December, shipments increased, owing to renewed demands from the interior.

The total reported imports during the year amounted to 4,298,194 tons, as against 4,195,968 tons in 1909, an increase of 102,226 tons or 2·4 per cent. Exports also show an increase of 23,000 tons, or 10·2 per cent. Transit cargo shows a decrease of 12,039 tons, or 0·3 per cent. These figures are not, however, reliable, there being no means of collecting accurate information, in the absence of any Customs staff.

Emigration and Immigration.

One hundred and eleven thousand and fifty-eight (111,058) emigrants left Hong Kong for various places during the year 1910, (77,430 in 1909). Of these 79,851 were carried in British ships and 31,207 in foreign ships. These figures show a large increase, compared with those for 1909, of 33,628 (or 43·4 per cent.), which is accounted for by the largely increased emigration to the Federated Malay States to provide labour for the rubber plantations.

Statement of Number of Emigrants to Straits Settlements 1906 *to* 1910 *compared with Total Chinese Emigration* 1906 *to* 1910.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1906	60,320	76,725
1907	83,048	105,967
1908	49,639	71,081
1909	48,016	77,430
1910	76,705	111,058

One hundred and forty-nine thousand five hundred and sixty-four (149,564) returning emigrants are reported to have been brought to Hong Kong from the several places to which they had emigrated, either from this Colony or from coast ports, as against 144,821 in 1909. Of these 108,346 arrived in British ships, and 41,218 in foreign ships.

(*b.*) INDUSTRIES.

(i.).—*Under European Management.*

Engineering and Shipbuilding.—This industry has improved during the year under review.

1910.

—	Vessels.	Gross tons.	I.H.P.
Taikoo Dockyard and Engineering Co., Ld.	8	2,231	1,718
Hongkong and Whampoa Dock Co., Ld. ...	14	715	2,070
W. S. Bailey & Co.	4	121	200
Macdonald & Co.	3	169	160
Ulderup and Schluter...	2	317	150
Total	31	3,553	4,298

1909.

—	Vessels.	Gross tons.	I.H.P.
Taikoo Dockyard and Engineering Co., Ld.	10	380	400
Hongkong and Whampoa Dock Co., Ld. ...	15	1,554	750
W. S. Bailey & Co.	3	58	60
Ulderup and Schluter	17	146	200
Total	45	2,138	1,410

Sugar Refining.—The year 1910 was not a favourable one for the sugar refining industry of the Colony as there was not a good demand in the China markets, while the growers in Java have lately made arrangements for shipping their produce direct to the markets without transhipment in Hong Kong.

As was the case in 1908 and 1909 beetroot sugar did not find its way into the China market in any appreciable quantity.

Cotton Spinning.—This industry has been satisfactory throughout the year. The supply of raw material was good.

Rope Manufacturing.—Business steady, and prices have remained the same.

Cement.—There has been a good demand throughout the year.

Brewing.—The Oriental Brewery continued working throughout the year, and there seems every prospect of their getting a firm hold on the Eastern markets. Over 100,000 gallons of beer and stout were brewed during the year.

(ii.).—*Under Chinese Management.*

Rattan and Fibre Furniture.—Business remained about the same. There are 41 firms, large and small, in the trade.

Native Tobacco.—There are 26 factories in existence. Business has fallen off owing to the competition in China of foreign tobacco corporations and the greatly increased sale of foreign cigarettes. The local tobacco crop was also below the average.

Tinned Goods.—This business increased moderately.

Samshu.—The local manufacturers of native spirits report having had a good year on the whole. The institution of liquor duties has improved the position of the local producer *vis à vis* the producer in Chinese Territory who has to pay the various transit duties of his own country as well as the new Hong Kong duties. In September there was a temporary flooding of the market by large importations from Kwong Tung, due to the proposal of the Chinese Authorities to establish a liquor tax in the province.

The total local output of all kinds of native spirits (including the New Territories) was over 800,000 gallons.

Vinegar.—All the large native distilleries produce vinegar as well as samshu. The yearly output of the seven largest firms amounted to some 2,000,000 gallons.

Knitted Vests and Socks.—There are four factories in existence, and a fifth in course of erection. There is a large local demand for these articles.

Leather.—There are eight local tanneries. An increase in the price of hides affected the business adversely.

Ginger and Preserves.—The volume of business done showed a slight decrease and profits were affected by a rise in the price of sugar. There are 14 factories in the Colony.

Soy.—There is no improvement to report in this trade, which remains dull.

Paper.—The mill produced more paper, and the prices obtained were higher than last year.

Vermilion.—There was a further falling off in this trade.

Lard.—Much of the lard manufactured in the Colony is exported to the Philippines, where new regulations were introduced during the year requiring the purity of animal products to be certified. The local manufacturers of lard, made from animals killed in the Colony, have found no difficulty in complying with the regulations. The output has increased considerably, and the price has also risen.

(*c.*) FISHERIES.

A considerable proportion of the boat-population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories are largely dependent upon this industry for their prosperity. There will soon be steam trawlers engaged in this industry, and regulations have been made by the Government for their control. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*) FORESTRY, AGRICULTURE, AND BOTANY.

The formation of pine tree plantations in the Harbour Belt between Lai-chi-kok and Lyemun has been continued to the extent of about 400 acres, and sites which failed in the area sown in 1909 have been resown. About 2,000 broad-leaved trees of different kinds have been planted on the hills at Shaukiwan, and 400 tristanias and 200 eucalyptus at Quarry Bay.

Shade trees in Hong Kong and Kowloon have been renewed where necessary, and flowering trees and shrubs have been planted in various places on the roads and hills in Hong Kong, where they will be readily seen when in flower. Banian trees have been planted on the approach roads to Yaumati and Taipo railway stations. Under the timber contract, 200 acres of pine forest at Mount Davis, and 70 acres at Aberdeen have been felled. Approximately 2,000,000 square feet of undergrowth have been cleared at the cost of the Government, 300,000 square feet at the cost of the Military Authorities, and 300,000 square feet at the cost of private individuals in connection with the crusade against mosquitoes and malaria.

The first crop of rice in the New Territories was poor owing to the drought, but the second crop was good, and other vegetable and fruit crops have been up to the average.

A sample of Chinese peppermint oil has been submitted to the Director of the Imperial Institute at his own request. It has been reported on favourably, but owing to its cost it is not thought that it can be exported profitably to England.

The account of the flora of Hong Kong, the New Territories, and Kuangtung Province has been completed, and arrangements have been made for its publication in the Journal of Botany during the current year.

(*e.*) LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount received from sales of Crown land and pier rights after deducting expenses of sales was $62,686, an increase of $22,021 on the previous year, and $67,294 less than the average amount received for the last five years. Of this amount $28,373 was received in respect of the sale of various pier sites and extensions to existing piers, $11,416 was received in respect of sales of land in the New Territories, and the remainder from sales of new lots of Crown land, and grants of extensions to existing lots in the island of Hong Kong and Old Kowloon. The chief item was received in respect of the sale of the right of erecting a pier opposite Ice House Street in the City of Victoria, for which $17,900 was paid.

There has been an increase in the number of Crown lots sold for building purposes in the City and adjacent district during the year, but the demand for new sites still remains small.

A considerable increase has taken place both in the number and value of private properties which have changed hands during the year, prices are generally considered steady, and rents are generally being increased as existing leases and tenancies expire.

The demand for small building sites in the New Territories is increasing, as is also that for short and annual leases for agricultural purposes.

With the opening of the railway, several enquiries have been made in connection with the building of European dwellings at Tai Po, and it is considered that there will probably be a considerable development in this neighbourhood in the future.

The re-arrangement of the whole of the extensive properties of the Tai Koo Sugar Refinery Co., Ltd., and the Tai Koo Dockyard and Engineering Co., Ltd., at Shaukiwan and Quarry Bay, involving very extensive surveys, was completed during the year.

The settlement of the remaining claims of squatters in the Island of Hong Kong and Kowloon was completed during the year, and Crown leases granted to those whose titles had been approved by the Squatters Board.

III.—LEGISLATION.

Thirty-four Ordinances were passed during 1910, twenty-four of which were Amendment Ordinances. The principal matters dealt with were the consolidation of the New Territories Ordinances, the laws of Copyright, the law *re* Crown Suits, the segregation of lepers, the training of midwives, and the Hong Kong Volunteer Reserve.

IV.—EDUCATION.

There are 70 Government and grant schools, the most important of which is Queen's College. Of these 21 are upper grade schools, with a staff competent to give instruction on all subjects of the seventh standard, and above. These latter schools have an average attendance of 4,102, and the medium of instruction in all of them, with the exception of five girls' schools, is English. The 49 remaining schools are all lower grade. They comprise one school for British Indians, where English and Urdu are taught; six Government schools and one grant English school for Chinese; and 41 grant vernacular schools. The average attendance at all these lower grade schools is 2,257. The total average attendance, at both grades of school, is 6,359.

The revenue derived from school fees is $75,448.50 (of which $39,212 is from Queen's College), and is rapidly increasing: this is mainly to be accounted for by the increasing numbers of Chinese desirous of an English education.

Two schools are limited to children of British parentage. Both these schools (one for boys, the other for girls) are under the Government. In 1910 the combined average attendance at them was 78. The boys' school provides a small but efficient cadet corps.

Higher education is represented by the Technical Institute, where instruction is given in the evening in mathematics, machine drawing, building construction, field surveying, and allied subjects; in chemistry and physics; in the English and French languages, book-keeping, and shorthand. There is also a teachers' class, which the junior Chinese masters of Government and grant schools are expected to attend. A kindergarten class has also been started for teachers in girls' schools. The Institute is furnished with a well equipped laboratory. The lecturers are chiefly civil servants recruited from the European staffs of Queen's College and the Public Works Department. These officers receive fees for their services.

The Hong Kong University building, the gift of Sir Hormusjee Mody, is in course of construction, and will probably be open by the middle of 1912. The foundation stone was laid on the 16th March. The first chairs will be those of medicine, engineering, and arts. The equipment and endowment funds were raised by public subscriptions, and stood at $1,239,828 (exclusive of $96,460 promised) on the 31st December.

V.—PUBLIC WORKS.

Of the principal works in progress, the Kowloon Waterworks reservoir was completed, and the new Government Offices and Law Courts made fair progress. A contract for the construction of the Mongkoktsui Breakwater and contingent works was let in October, and a substantial start with the work was made before the close of the year.

The following buildings were completed:—Extension of Tai Po Land Office; slaughter house, Shaukiwan; prison extension; an additional room at Queen's College for pupil teachers; a coalshed at Tsim Sha Tsui Police Basin; a fruit market on the triangular space behind the old Harbour Office; a latrine in Nelson Street, Kowloon, and a urinal in Queen's Road, East, near Arsenal Street. The following were in progress:—Kowloon Market; additions to No. 2 Police Station; staff quarters, Kennedy Town Hospital; Police Station, Tsün Wan; rebuilding of Government Pavilions; hospital at the Quarantine Station, Lai Chi Kok; workshops and sheds for ambulances, &c., at the City Disinfecting Station; latrines in Mee Lun Lane and Rutter Street (the latter to replace one demolished on account of the extension of the Tung Wah Hospital premises) and a trough closet in Queen's Road, West, under the ramp leading to the Government Civil Hospital.

One of the bungalows at Tai Po, constructed for the accommodation of the staff engaged on the construction of the railway, was taken over by the Public Works Department for the accommodation of its officers.

The extension of Argyle Street, referred to in last year's report, and a road of a somewhat temporary description to connect it with the existing road to Kowloon City were completed, as was also a short length of road to westward of the Kowloon Cricket Club's allotment in King's Park. In Victoria, a pathway to connect Kennedy Road with Queen's Road, East, near Arsenal Street was completed, and diversions of Caine Road past No. 2 Tank, and of Wongneichong Road past Inland Lot 1698 were in progress. Outside the city, some important improvements in the Shaukiwan Road in the vicinity of Quarry Bay were undertaken, the electric tramway being taken up and relaid where necessary. In the New Territories, the section of road from Castle Peak to Ping Shan was completed, and extensions to Un Long and Au Tau were undertaken. Another section of the same road, which will ultimately connect Castle Peak with Sha Tau Kok, extending from San Tin by way of Fan Ling Railway Station to Au Ha Gap, was also undertaken and was nearing completion at the close of the year.

The reconstruction of gullies and the training of the large nullah, west of the University site, from Hill Road to the Pokfulam Conduit, were completed. Progress was made in substitution of iron pipes for defective earthenware ones.

The new ferro-concrete piers at Kowloon City and at the Gunpowder Depôt on Green Island were completed, as was also the deepening of Causeway Bay. The completion of the reclamation at Gillies Avenue, Hunghom, was undertaken, a number of low-lying areas being filled in at the same time. A reclamation to provide a site for a market and a slaughter house at Aberdeen was in progress. A considerable section of Tai Hang Village was reconstructed, the level of the area dealt with being raised about five feet.

Much useful work was done under the votes "miscellaneous works," "forming and kerbing streets," and "drainage works miscellaneous," and the raising of a considerable section of sunken sewers in Connaught Road was carried out.

Compensation was paid for a number of scavenging lanes or portions of same.

The large main to facilitate the distribution of Tytam water to the western district of the city was completed, and a four-inch main for supplying the village of Tai Hang with filtered water was laid. Sundry mains for extending and improving the distribution system in Kowloon were laid.

The total amount expended on Public Works Extraordinary was $1,223,909.83, and on works annually recurrent $429,835.24.

In the sum expended under the former head is included an amount of $309,479, which was paid for the acquisition by Government of Kowloon Inland Lots, No. 442 and 618, as a site for the Kowloon-Canton Railway Terminus. The proposal to utilise the lots in this manner was, however, subsequently held in abeyance.

The Colony fortunately escaped visitation by any typhoon or rainstorm of a serious nature.

Railway.

All the earthwork of the British section of the Kowloon-Canton Railway was completed during the year. The Hung Hom cutting was handed over by the contractors in September for the laying of the permanent way. The Gascoigne Road diversion and the reclamation were finished early in December. North of Taipo the troublesome cutting at Mile 16 (Gill's Cutting) was revetted and drained. The lining of Beacon Hill and Taipo Tunnels was completed early in February. Bridges 2, 3, 4, 8, 12, and the additions to others were finished in time, and did not delay the platelaying. The laying of permanent way began in March and was completed by the middle of May, the ballasting taking some time longer, as is usual. All stations, staff quarters, and buildings were completed by June. The engines and rolling stock arrived at various periods of the year, and were duly erected before the end of September. The site for the workshops was levelled early in the year, and the erection of workshops began at the end of November.

The health of the staff and the workmen engaged during construction was good.

The section was opened for public traffic on the 1st October, and the takings to the end of December have been $33,980.33.

The expenditure against the Loan Account during the year was aproximately $1,965,338.50, making a total to end of 1910 of $11,884,427.76.

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*.) Hospitals.

Government hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an observation station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease in a ship arriving in the harbour.

The Civil Hospital contains 150 beds in 19 wards. 2,644 in-patients and 17,759 out-patients were treated during 1910. 340 cases of malarial fever were admitted as against 188 in 1909, and 279 in 1908. The Maternity Hospital contains 6 beds for Europeans, and 4 for Asiatics. 107 confinements occurred during the year. The Victoria Hospital at the Peak contains 41 beds. During 1910, 344 patients were under treatment. Kennedy Town Hospital contains 26 beds. In 1910, 19 cases were treated, 9 being small-pox.

(*b*.) LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards, and the Chinese portion 16 beds. 195 patients of all races were treated during 1910, and there were 9 deaths.

(*c*.) THE TUNG WAH AND OTHER CHINESE HOSPITALS.

This hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed, in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician who is a member of the medical department, whilst a Chinese house surgeon, trained in Western medicine, is a member of the hospital staff.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society. They consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1910 was 1,253 and the expenditure $12,600. The number of labours in the Maternity Hospital was 244. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives which a removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, three District Plague Hospitals are now maintained by the Chinese in various parts of the Colony and a fourth is being built. They are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The erection of the new "Kwong Wa" hospital for Chinese, in the Kowloon Peninsula, is complete, all but the servants' quarters.

It occupies a site having an area of 3 acres and as designed will ultimately provide accommodation for 210 patients. The existing buildings contain accommodation for 70 patients. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Registrar-General, but, when completed, the hospital will form part of the Tung Wah Hospital, and be under the same management. This hospital will receive a grant of $8,500 per annum from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the Hong Kong College of Medicine, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Registrar-General and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society.

The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance and almost all women and girls detained by the Registrar-General under that Ordinance are sent to the Pó Leung Kuk. During 1910 the number of persons admitted was 504, and at the close of the year 46 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution under mission auspices founded for rescue work among the Chinese. It is now housed in the Belilios Reformatory and receives a small grant from the Government and also a contribution from the Pó Leung Kuk.

The Hong Kong College of Medicine was founded in 1887. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. The lecturers, who are Government officials or private medical practitioners, each receive a small honorarium, the funds being derived from the fees of the students and a Government grant-in-aid of $2,500. The minimum curriculum of study is five years, and the preliminary examination has been accepted by the General Medical Council of Great Britain. 124 students have been enrolled up to date (March, 1911); and of these 43 have become qualified "licentiates." Most of the licentiates have settled in the Colony, and are exerting a most useful influence in the direction of displacing the native medical methods and popularising Western medical and sanitary knowledge, while a considerable number of them are employed as resident surgeons in the hospitals for Chinese, as medical officers in charge of the public dispensaries, and as assistant medical officers on the railway works. The work of the College has thus far been carried on in lecture-rooms and laboratories made available in various hospitals, &c., in different parts of the city. Steps were being taken to provide adequate buildings of its own; but action was suspended when the University scheme was proposed. When the University is opened the College will be merged into its Faculty of Medicine.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, &c., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent ($1,280), the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seaman's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters who can assist the inmates of houses where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the mortuary. The dispensaries receive sick infants and send them to one or other of the convents and arrange for the burial of dead infants. Free advice and medicine are given, and patients are attended at their houses. There are eight dispensaries in existence, including one for the boat population on a hulk in Causeway Bay.

The total cost of maintenance, which is defrayed by voluntary subscription, was $35,272. The dispensaries are conducted by committees under the chairmanship of the Registrar-General.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 9,789, being a decrease of 30 or 0·3 per cent. as compared with 1909. In the division of these cases into serious and minor offences there is an increase in the former as compared with the previous year of 263 or 7·86 per cent.

The number of serious offences reported was 242 over the average of the quinquennial period commencing with the year 1906. The number of minor offences reported shows a decrease of 293 as compared with 1909, and was 823 below the average of the quinquennial period.

The total strength of the Police Force for 1910 was: Europeans 133, Indians 384, Chinese 525; making a total of 1,042 as compared with 1,054 in 1909, exclusive in each case of the five superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government Departments, and by private firms. Of this force 13 Europeans, 99 Indians, and 47 Chinese were stationed in the New Territories during the year, under the District Officer.

The District Watchmen Force, numbering 124, to which the Government contributes $2,000 per annum was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 4,867 as compared with 5,215 in 1909. Of these 1,212 were committed for criminal offences, against 1,325 in 1909. Of commitals for non-criminal offences there were 296 more under the Prepared Opium Ordinance and 21 less for infringement of Sanitary Bylaws.

The daily average of prisoners confined in the gaol was 547, the average for 1909 being 560 and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter was ·14, which is the average percentage for the last ten years. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The gaol, as the result of recent extensions, has now accommodation for 590 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·33 as compared with 1·38 in 1909 and 1·27 in 1908.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, washing, carpentry, boot-making, net-making, painting and white-washing, mat-making, tailoring, oakum-picking, &c. The profit on the work done was $48,902 as against $43,946 in 1909.

There was $4,253 received and credited to Government for non-Government work against $4,809 in 1909.

IX.—VITAL STATISTICS.

(*a*.) POPULATION.

The population of the Colony according to the census taken in 1901 was 283,975, while at the census taken in 1906 it was 301,967, exclusive of the New Territories, New Kowloon, and the Army and Navy establishments. The estimated total population at the middle of the year under review was 435,986 as follows:—

Non-Chinese civil community			14,260
Chinese population	Hong Kong	198,720	
	Kowloon (New and Old)	80,200	
	Floating population ...	48,010	
	Mercantile marine ...	2,990	
			329,920
Army (average strength)		4,433	
Navy (average strength)		2,362	
			6,795
New Territories (exclusive of Kowloon) ...			85,011
	Total		435,986

(*b*.) Public Health and Sanitation.

During the year under review further progress has been made in rendering existing domestic buildings rat-proof as a preventive of plague; 324 ground surfaces of houses have been repaired, and 1,675 buildings have had rat-runs filled up with cement.

The cubicle question has for many years been one of the most difficult problems in connection with the sanitary welfare of the Colony, but it would seem that, at last, it has been solved in a satisfactory manner by a judicious combination of stringent regulations with administrative discretion. The Public Health law of the Colony prohibits the erection of cubicles in ground floor rooms and limits those on upper floors to two in number, while it also limits the height of the partition walls to six feet and regulates their construction in certain other directions, but a discretionary power is granted by the Ordinance which has now been vested in the Medical Officer of Health and the Assistant Medical Officer of Health and they have thus been enabled to permit the erection of a larger number of cubicles on any floor, wherever the lighting and ventilation of the premises has been found to warrant such a concession.

New buildings (domestic) to the number of 93 were erected during the year, and in these the effect of the present Ordinance is seen in the increased amount of open space about the houses, which the law requires. Scavenging lanes which have to be provided in the rear of new houses also increase the open space about them and tend to reduce overcrowding.

The general death-rate for the year was 22·50 per 1,000 among the Chinese community and 10·04 per 1000 among the non-Chinese community as compared with 21·68 and 12·45 respectively during 1909.

During the year there were only 23 deaths from plague compared with 108 in 1909 and 986 in 1908.

There were 2,603 deaths from respiratory diseases amongst the Chinese, 765 of which were due to phthisis, a percentage of 10·3 of the total deaths amongst that community.

Beri-beri caused 566 deaths—as against 545 in 1909.

The deaths from malaria were 591 as against 422 in 1909, and 499 in 1908. The temporary increase is regarded as being partly due to large building works on the confines of the city, where there are untrained mountain streams which contain anopheles mosquitoes, and partly to the intermittent nature of the rainfall during the year. The streams are being trained *pari passu* with the completion of the building works.

(*c*.) CLIMATE.

The average monthly temperature throughout the year was 72·0° F. as compared with 72·7° F. in 1909 and 72·0° F. during the ten preceding years. The maximum mean monthly temperature was attained in July, when it reached 87·0° F., and the mean minimum monthly temperature was recorded in December, when it was 54·9° F. The highest recorded temperature during the year was 91·3° F. on the 29th August, and the lowest 44·2° F. on the 25th January.*

The total rainfall for the year was 70·12 inches as compared with an average of 81·10 inches during the ten preceding years. The wettest month was June, with 18·19 inches, the dryest, October, when 0·04 inch was recorded. The greatest amount of rain which fell on any one day was 8·11 inches on the 1st July, while no rain fell on 254 days of the year. The mean relative humidity of the atmosphere for the year was 77 per cent., as compared with an average of 77 per cent. during the ten preceding years. The average daily amount of sunshine was 6·0 hours, being 53 per cent. of the possible duration.

These figures are those recorded at the Observatory, Kowloon, and there is a very considerable divergence between that place and Hong Kong (low levels), the Peak District, or Tai Po (New Territories), both in rainfall, temperature, and humidity.

X.—POSTAL SERVICE.

The total amount paid into the Treasury in 1910 by the Postal Department was $756,295.02 from which sum $237,228.48 was transferred to other heads of General Revenue under which fees and duties are paid in postage stamps, which are now sold exclusively by the Post Office, leaving the sum of $519,066.54 as the approximate revenue from the Postal Service. The total expenditure amounted to $470,984.35. The result of the year's working shows a profit $48,082.19.

The Colony commenced to forward parcels *viâ* Shanghai, Dalny, and the Trans-Siberian railway on 1st September. The following agreements were entered into and came into operation during the year, *viz.*:—

Direct exchange of money orders with Indo-China on 1st October; direct exchange of parcels with New Zealand on 1st August; parcel post agreements with the Straits Settlements on 1st August, and with the Philippine Islands (revised) on 7th October.

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* These are the temperatures recorded by the Observatory at sea-level. The temperature in the high levels at the Peak averages some 10° less.

As from the last day of 1910 the Hong Kong Government was relieved by the Imperial Authorities of the charge of the Postal Agencies in China.

XI.—MILITARY EXPENDITURE.

(*a.*) COLONIAL CONTRIBUTION.

The Colony contributed $1,372,486 (being the statutory contribution of 20 per cent. of the revenue) towards the cost of the maintenance of the Regular Forces in the Colony, including barrack services and defence works.

(*b.*) VOLUNTEER CORPS.

The expenditure on the Volunteers, which is entirely borne by the Colony, was $34,744 compared with $38,393 in 1909.

XII.—GENERAL OBSERVATIONS.

The assessment made for the year 1910-1911 (1st July to 30th June) shows an increase in the rateable value of the whole Colony of 3·17 per cent. In the City of Victoria, the Hill District, Shaukiwan, Saiwanho, Quarry Bay, Hunghom, Hokun, Mongkoktsui, New Kowloon, and Kowloon Villages there is an increase ranging from 0·17 per cent. to 112·18 per cent., but in the Hong Kong Villages, Kowloon Point, and Yaumati a decrease ranging from 0·43 per cent. to 6·88 per cent. is shown. In the Shaukiwan, Saiwanho, and Quarry Bay Districts there is an increase of $181,911 or 112·18 per cent.

The average rate of exchange (demand on London) which had been 1/9·0601 to the dollar for 1909 rose to 1/9·6021 for 1910.

The position with regard to subsidiary coins remained unsatisfactory, and during 1910 the Government withdrew from circulation silver subsidiary coin amounting to the face value of $314,300 and copper to the face value of $114,800. These coins were shipped to England, where they were melted down and sold as bullion for £23,787 5*s.* 6*d.* and £4,205 9*s.* 0*d.* respectively. The loss to revenue by this transaction amounted to $119,294.37. The discount during the year on Hong Kong subsidiary coin varied between 4 per cent. and 7½ per cent., and on Chinese subsidiary coin 4½ per cent. and 8 per cent. Hong Kong copper cents were from 105 to 120 per $1, and Chinese copper cents from 112 to 123 per $1. Negotiations continued without success between this Government and the Chinese Authorities with a view to decreasing the excess of Chinese subsidiary coin.

In pursuance of the policy of His Majesty's Government, all opium divans in the Colony and the New Teritories were closed on the 1st March, 1910, and on that date all the provisions of the Ordinance to amend and consolidate the laws relating to opium and its compounds (No. 23 of 1909) came into force. The general scope of that Ordinance was described in Sir F. H. May's report on the Blue Book for 1909,* and I need only add here that during last year two further Ordinances (No. 11 and No. 33) were passed with a view to making its provisions more effective, while the Pharmacy Amendment Ordinance (No. 9 of 1910) increased the powers possessed by this Government in controlling poisons, including morphine and cocaine.

The export of morphine and compounds of opium from Hong Kong to Siam, the Netherlands-India, French Indo-China, Japan, the United States of America, and the Philippine Islands is not permitted except on production of an official certificate from the country concerned that such morphine or compounds of opium are required for medical purposes or by the Government of the country. These measures took effect on the 1st April, 1910.

His Majesty's Government made the Colony a grant of £9,000 for the year 1910, on account of a loss of $225,860 incurred during that year in respect of opium revenue.

I proceeded to England on leave on May 1st, returning on November 1st. During my absence the Government was administered by Sir F. H. May, Colonial Secretary.

I have, &c.,
F. D. LUGARD,
Governor.

The Right Honourable
Lewis Harcourt, M.P.,
&c., &c., &c.

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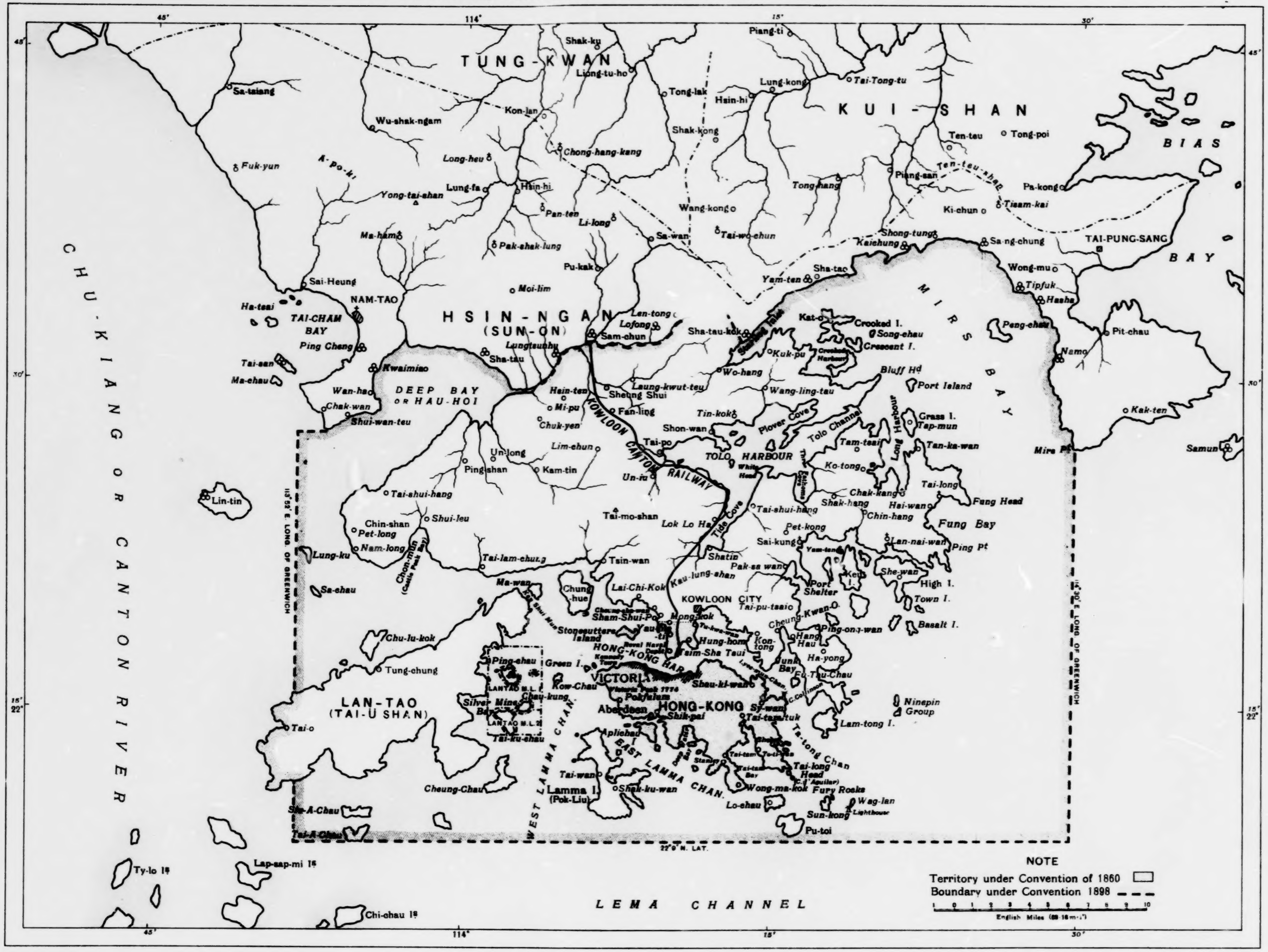
* Colonial Report [Annual], No. 659.

HONG-KONG, KOWLOON AND ADJACENT TERRITORIES.



TUNG-KWAN
KUI-SHAN
HSIN-NGAN (SUN-ON)
CHU-KIANG OR CANTON RIVER
BIAS BAY
MIRS BAY
DEEP BAY OR HAU-HOI
TAI-CHAM BAY
TOLO HARBOUR
Tolo Channel
Plover Cove
Long Harbour
Tide Cove
KOWLOON CANTON RAILWAY
KOWLOON CITY
HONG-KONG HARBOUR
VICTORIA
HONG-KONG
LAN-TAO (TAI-U SHAN)
WEST LAMMA CHAN.
EAST LAMMA CHAN.
LEMA CHANNEL
Shak-ku
Liong-tu-ho
Piang-ti
Tai-Tong-tu
Lung-kong
Tong-lak
Hsin-hi
Kon-lan
Sa-tsiang
Wu-shak-ngam
Shak-kong
Ten-tau
Tong-poi
Chong-hang-kang
Long-heu
Fuk-yun
A-po-ki
Lung-fa
Hsin-hi
Yong-tai-shan
Pan-ten
Li-long
Tong-hang
Piang-san
Ten-tau-shan
Pa-kong
Tsiam-kai
Ki-chun
Wang-kong
Ma-ham
Pak-shak-lung
Sa-wan
Tai-wo-chun
Shong-tung
Kaichung
Sa-ng-chung
TAI-PUNG-SANG
Pu-kak
Sha-tao
Wong-mu
Yam-ten
Tipfuk
Hashe
Sai-Heung
Moi-lim
NAM-TAO
Ha-tsai
Len-tong
Lofong
Kat-o
Crooked I.
Song-chau
Crescent I.
Peng-chau
Pit-chau
Ping Cheng
Sam-chun
Sha-tau-kok
Lungtsunhu
Sha-tau
Kuk-pu
Crooked Harbour
Tai-san
Kwaimiao
Bluff Hd
Port Island
Namo
Ma-chau
Wo-hang
Hsin-ten
Sheung Shui
Laung-kwut-tau
Wang-ling-tau
Kak-ten
Wan-hao
Chak-wan
Mi-pu
Fan-ling
Shui-wan-tau
Chuk-yen
Tin-kok
Grass I.
Tap-mun
Shon-wan
Tai-po
Tam-tsai
Tan-ka-wan
Mirs Pt
Samun
Lim-chun
Un-long
Ping-shan
Kam-tin
Un-iu
White Head
Ko-tong
Tai-long
Chak-kang
Fung Head
Lin-tin
Tai-shui-hang
Tai-shui-hang
Shak-hang
Hai-wan
Chin-hang
Fung Bay
Tai-mo-shan
Chin-shan
Shui-leu
Pet-long
Lok Lo Ha
Pet-kong
Nam-long
Sai-kung
Lan-nai-wan
Ping Pt
Lung-ku
Chon-mun (Castle Peak Bay)
Tai-lam-chung
Tsin-wan
Shatin
Pak-sa-wan
She-wan
Kau-lung-shan
High I.
Sa-chau
Ma-wan
Chung-hue
Lai-Chi-Kok
Port Shelter
Town I.
Tai-pu-tsai
Sham-Shui-Po
Mong-kok
Cheung-Kwan
Basalt I.
Ping-on-wan
Chu-lu-kok
Stonecutters Island
Yaumati
Hang Hau
Hung-hom
Kon-long
Tsim-Sha Tsui
Ha-yong
Ping-chau
Green I.
Junk Bay
Fu-Tau-Chau
Tung-chung
Kow-Chau
Shau-ki-wan
Chau-kung
Pokfulam
Victoria Peak 1774
C. Collinson
Ninepin Group
Silver Mine Bay
Aberdeen
Shek-pai
Sai-wan
Tai-tam-tuk
Lam-tong I.
Tai-o
Tai-lu-chau
LANTAO M.L.1
LANTAO M.L.2
Aplichau
Deep Bay
Stanley
Tai-tam Bay
Ta-tong Chan
Tai-long Head
C. D'Aguilar
Tai-wan
Lamma I. (Pok-Liu)
Shak-ku-wan
Wong-ma-kok
Fury Rocks
Wag-lan Lighthouse
Cheung-Chau
Lo-chau
Sun-kong
Sha-A-Chau
Tai-A-Chau
Pu-toi
Ty-lo Iᵈ
Lap-sap-mi Iᵈ
Chi-chau Iᵈ
113°52′ E. LONG. OF GREENWICH
114°30′ E. LONG. OF GREENWICH
22°9′ N. LAT.
45′
114°
15′
30′
22°
NOTE
Territory under Convention of 1860 ☐
Boundary under Convention 1898 - - -
0 1 2 3 4 5 6 7 8 9 10
English Miles

Ordnance Survey Office, Southampton, 1911

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
657	Fiji	1909
658	Grenada	"
659	Hong Kong	"
660	Barbados	1909–1910
661	Swaziland	"
662	Jamaica	"
663	Straits Settlements	1909
664	Trinidad and Tobago	1909–1910
665	Southern Nigeria	1909
666	Mauritius	"
667	British Honduras	"
668	St. Vincent	1909–1910
669	East Africa Protectorate	"
670	Uganda	"
671	British Guiana	"
672	St. Lucia	1909
673	Leeward Islands	1909–1910
674	Northern Nigeria	1909
675	St Helena	1910
676	Gibraltar	"
677	Basutoland	1909–1910
678	Weihaiwei	1910
679	Gambia	"
680	Ashanti	"
681	Turks and Caicos Islands	"
682	Falkland Islands	"
683	Northern Territories of the Gold Coast	"
684	Bahamas	1910–1911
685	Colonial Survey Committee	"
686	Malta	"
687	Imperial Institute	1910
688	Gold Coast	"
689	Fiji	"
690	Somaliland	1910–1911

MISCELLANEOUS.

No.	Colony, &c.	Subject.
70	Colonies	List of Laws relating to Patents, Trade Marks, &c.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane, 1910.
73	Jamaica	Cayman Islands.
74	Ceylon	Mineral Survey 1906-7 and 1907–8.
75	West Indies	Imperial Department of Agriculture.
76	Southern Nigeria	Mineral Survey, 1907–8.
77	St. Vincent	Roads and Land Settlement Fund.
78	Weihaiwei	Census.

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1911.

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No. 723.

HONG KONG.

REPORT FOR 1911.

(For Report for 1910, *see* No. 691.)

Presented to both Houses of Parliament by Command of His Majesty
August, 1912.

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No. 723.

HONG KONG.

(For Report for 1910, *see* No. 691.)

THE ACTING GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
2nd July, 1912.

SIR,

I HAVE the honour to transmit the Report on the Blue Book of Hong Kong for the year 1911, which has been furnished by the Acting Colonial Secretary.

I have, &c.,

CLAUD SEVERN,
Officer Administering the Government.

The Right Honourable
Lewis Harcourt, M.P.,
&c., &c., &c.

REPORT ON THE BLUE BOOK FOR 1911.

I.—FINANCES.

In 1911 the revenue amounted to $7,497,231, exceeding the estimate by $410,848, while the expenditure amounted to $7,077,177, or $308,143 less than the estimate. Thus the balance for the year's working was $420,054, bringing the balance of assets and liabilities up to $1,826,979 in the Colony's favour.

The total capital expenditure on the British section of the Kowloon-Canton Railway amounted on the 31st December, 1910, to a sum of $11,884,427.76, and a further sum of $137,075.01 was added to the capital expenditure during 1911, making a total expenditure of $12,021,502.77 down to the end of last year. Additional expenditure will be necessary during 1912 for the construction of a terminal station and for the resumption of land on which to build it. The payments made up to the end of 1911 have more than exhausted the existing Railway Loan, and it is probable, therefore, that in 1912 a further loan will have to be raised.

The amount of the Consolidated Loan (Inscribed Stock Loans of 1893 and 1906) stands at £1,485,732, and in addition at the end of the year the advances by the Crown Agents for railway construction amounted to £340,000. Against these items, however, should be placed the sum at credit of the Sinking Fund, viz., £118,267, and the sum of £440,000, being the unpaid balance of the loan to the late Viceroy at Wuchang.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a*.) SHIPPING AND TRADE.

The total of the shipping entering and clearing at ports in the Colony during the year 1911 amounted to 543,570 vessels of 36,179,153 tons, which, compared with figures for 1910, shows a decrease in numbers of 3,594 vessels, with a decrease of 355,209 tons.

Of the above, 44,978 vessels of 23,063,108 tons were engaged in foreign trade, as against 40,714 of 23,160,256 tons in 1910, and were distributed as follows:—

—	1911. Numbers.	1910. Numbers.	1911. Tonnage.	1910. Tonnage.
	Per cent.	Per cent.	Per cent.	Per cent.
British ocean-going ships represented	8·7	10·5	32·9	35·0
Foreign ocean-going ships represented	9·3	10·6	34·3	35·0
British river steamers represented	15·3	16·0	17·8	17·3

—	1911. Numbers.	1910. Numbers	1911. Tonnage.	1910. Tonnage.
	Per cent.	Per cent.	Per cent.	Per cent.
Foreign river steamers represented	3·1	3·3	3·2	3·0
Steamships (not exceeding 60 tons) represented	7·2	7·7	0·6	0·6
Trading junks represented ...	56·4	51·9	11·2	9·1
	100·0	100·0	100·0	100·0

The movements of fishing junks are not included in the above figures.

Of ships of European construction, 4,042 ocean steamers, 7 sailing ships, 4,147 river steamers, and 1,617 steamships not exceeding 60 tons entered during the year, giving a daily average entry of 26·9 ships, as compared with 26·7 in 1910 and 25·6 in 1909.

The average tonnage of individual ocean vessels entering the port has once more increased—from 2,457·3 tons to 2,495·1 tons. That of British ships has increased (2,633·5 tons as against 2,594·5 tons) while that of foreign ships has increased from 2,324·1 tons to 2,365·7 tons.

During the past 20 years the average tonnage of ocean vessels has increased from 1,181·1 to 1,915·5 tons.

The average tonnage of river steamers entered during the year has again decreased from 602·1 tons to 584·9 tons. That of British river steamers has further decreased from 617 tons to 599 tons, and that of foreign river steamers from 529 tons to 518 tons.

A comparison between the years 1910 and 1911 is given in the following table:—

Class of Vessel.	1910.		1911.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British ocean-going ...	4,262	8,111,946	3,907	7,589,995	—	—	355	521,951
Foreign ocean-going ...	4,312	8,103,969	4,180	7,917,640	—	—	132	186,329
British river steamers	6,483	4,000,073	6,871	4,116,736	388	116,663	—	—
Foreign river steamers	1,334	706,616	1,423	736,057	89	29,441	—	—
Steamships under 60 tons (foreign trade).	3,153	136,765	3,263	130,092	110	—	—	*6,673
Junks (foreign trade)...	21,170	2,100,887	25,334	2,572,588	4,164	471,701	—	—
Total foreign trade	40,714	23,160,256	44,978	23,063,108	4,751	617,805	487	714,953
Steam launches plying in waters of the Colony.	466,014	10,986,234	461,984	10,981,990	—	—	4,030	†4,224
Junks (local trade) ...	‡40,436	‡2,387,871	§36,608	§2,134,054	—	—	3,828	253,817
Grand Total ...	547,164	36,534,361	543,570	36,179,152	4,751	617,805	8,345	973,014
			Net ...	...	...	...	3,594	355,209

* Decrease owing to a number of smaller sized launches being employed.

† Small decrease in tonnage owing to larger sized launches being employed.

‡ Including 21,056 conservancy and dust boats of 1,540,984 tons.

§ „ 13,980 „ „ „ 818,292 „

This table shows a decrease in British ocean shipping of 355 ships of 521,951 tons, or of 8·3 per cent. in numbers, and of 6·4 per cent. in tonnage.

British river steamers have increased from 6,483 ships of 4,000,073 tons to 6,871 ships of 4,116,736 tons or 2·3 per cent. in ships and 2·9 per cent. in tonnage. This is explained by the new steamer "Wing On" contributing 295 trips, also to the increased number of trips made by the Canton steamers, particularly at the time of the unrest in Canton.

Foreign ocean vessels have decreased by 132 ships or 3 per cent. in numbers and 2·3 per cent. in tonnage. This result is due to increases of 66, 47, 26, 20, 15, and 4 ships under United States, Dutch, Portuguese, Russian, French, and Japanese flags respectively, which are counterbalanced by decreases of 141, 121, 27, 18, 2, and 1 ships under German, Chinese, Swedish, Norwegian, Italian, and Danish flags respectively. The increase shown under the United States flag is explained by the steamers "Rubi" and "Zafiro" being transferred from British colours, and the increase shown under the Dutch flag is explained by the fact that four steamers which called at this port in 1911 did not call in 1910. The decrease under the German flag is chiefly accounted for by the falling off in trade from Bangkok; while the decrease under the Chinese flag is due to the loss of the "Meefoo" and to the stoppage of two steamers which previously traded to this port.

Foreign river steamers have increased by 89 ships (or 6·6 per cent.) of 29,441 tons (or 4·1 per cent.). This is mainly accounted for by the new steamers "Shing Ping" and "Licorne" contributing 72 trips, and to an increase in trips of vessels under the Portuguese flag.

As in former years, a comparison is inserted between the shipping of the port twenty years ago and to-day. In 1891, 2,856 British ships of 3,593,223 net register tons entered the port, against 10,778 ships of 11,706,731 net register tons in 1911, an increase of 277·3 per cent. in numbers and of 223 per cent. in tonnage. These figures include ocean and river steamers and ocean-going sailing ships (not junks). Similarly, foreign shipping, during the same period, has increased from 1,495 ships of 1,545,404 net register tons in 1891 to 5,603 ships of 8.653,697 net register tons—an increase of 275·7 per cent. in numbers and of 459·9 per cent. in tonnage.

The actual number of individual ocean vessels of European type of construction entering during 1911 was 720, being 348 British and 372 foreign. The corresponding figures for 1910 were 734, 365, and 369 respectively.

These 720 ships aggregated 1,796,498 tons. They entered 4,049 times, giving a collective tonnage of 7,756,033 tons. Thus, as shown in the following table, in 1911, as compared with 1910, 14 less ships with a tonnage decreased by 8,177 tons entered 235 less times, and gave a collective tonnage less by 356,952 tons.

Flag.	Steamers.		No. of times entered.		Total Tonnage.	
	1910.	1911.	1910.	1911.	1910.	1911.
British—						
Steamers	360	344	2,124	1,952	4,041,557	3,781,622
Sailing	5	4	7	6	17,663	16,534
German	113	111	722	657	1,206,757	1,133,786
Japanese—						
Steamers	101	106	507	509	1,341,083	1,354,362
Sailing	1	—	1	—	138	—
Norwegian	34	36	223	210	236,334	221,039
Austrian	7	6	24	24	95,062	96,380
Chinese	22	20	250	192	314,879	241,362
Danish	6	8	20	20	33,165	45,928
Dutch	16	16	108	130	214,737	235,881
French	35	27	144	152	262,670	242,469
Italian	3	2	13	12	34,496	31,188
Portuguese	3	4	66	79	29,478	32,842
Russian	7	11	10	20	28,803	53,080
Swedish	5	6	27	14	45,398	25,778
U.S.A.—						
Steamers	15	18	37	71	210,466	243,619
Sailing	—	1	—	1	—	163
No flag	1	—	1	—	299	—
	734	720	4,284	4,049	8,112,985	7,756,033

TRADE.

As pointed out in previous reports, the figures which used to appear under this heading were misleading, being inaccurate in some cases. However, in the few items of import trade of which substantially accurate details can be given, the following remarks may be of interest:—

Coal.—1,046,290 tons were imported during the year. This quantity, compared with the imports for 1910, shows a decrease of 68,830 tons or 6·6 per cent. This decrease may be ascribed to greater quantities of coal (principally Japanese, North China, and Hóngay) passing through Hong Kong direct to Canton than heretofore, also to the falling off in ocean tonnage.

Of the many varieties of coal imported, Japanese heads the list. Next come North China and Hongay. The importation from Pulo Laut is increasing.

There was only one cargo of Cardiff coal commercially imported. No Australian coal was discharged throughout the year.

Kerosene Oil shows a big increase in bulk oil of 62,367 tons or 111·1 per cent., and in case oil an increase of 4,112 tons or 8·8 per cent., while liquid fuel has increased by 7,759 tons or 82·3 per cent. The huge increase in bulk oil can be attributed to a great extent to the cutting of rates between the Standard Oil and Asiatic Petroleum Companies, also to the fact that stocks were left short in 1910, and that much oil hitherto shipped direct to coast ports was last year transhipped in Hong Kong, because the revolution in China caused a restriction of sales in the interior. The increase in liquid fuel tends to show that this class of fuel is now becoming popular in steamers which hitherto exclusively consumed coal.

Opium.—The imports of raw opium show a decrease of 10,457 chests or 32·9 per cent., as compared with a decrease of 11·1 per cent. in 1910 and 14·5 per cent. in 1909. The exports show a decrease of 8,272 chests or 29·2 per cent., as compared with a decrease of 21·2 per cent. in 1910 and 9·7 per cent. in 1909. During the last four years the raw opium trade of the Colony is described by the following figures:—

—	1911.	1910.	1909.	1908.
	Chests.	Chests.	Chests.	Chests.
Stock in hand, 1st January	7,123	4,509	5,808	4,707
Imported during the year	21,286	31,743	35,734	41,821
Total	28,409	36,252	41,542	46,528
Boiled by opium farmer	761	782	1,044	864
Spurious opium destroyed	—	14	51	247
Exported during the year	20,061	28,333	35,938	39,609
Total	20,802	29,129	37,033	40,720
Stock remaining on 31st December ...	7,587	7,123	4,509	5,808

Of the several varieties of opium imported, Malwa decreased by 454 chests or 9·2 per cent., Patna by 6,443 or 39·7 per cent., Benares by 1,249 or 19·3 per cent., Persian by 1,090 or 27·6 per cent.

Of the several varieties of opium exported, Malwa decreased by 2,000 chests or 43·5 per cent., Patna by 4,196 or 29·7 per cent., Benares by 926 or 14·9 per cent. The export of Persian opium increased by 56½ chests or 2·5 per cent.

The trade in compounds of opium shows a decrease, the imports being 38·8 per cent. less than in 1910, and the exports 14·5 per cent. less. In morphine there is also a decrease of 39 per cent. in the imports and 19·5 per cent. in the exports. The figures for cocaine show a considerable increase, the imports being 451 lbs. as compared with 145 lbs. in 1910, and the exports being 445 lbs. as compared with 201 lbs. in 1910. During the latter half of the year, however, there has been very little trade in either morphine or cocaine owing to further restrictions placed on the import of these drugs at the various ports in China and the neighbouring countries.

Sugar.—The imports of sugar show a decrease—42,076 tons or 16·7 per cent.

Cotton and Cotton Yarn.—Here is shown a large decrease amounting to 34,730 tons or 87·5 per cent., chiefly due to high prices ruling for cotton during the year, which made it prohibitive to the poorer Chinese and so checked business. The last two or three months of the year were particularly bad for business owing to the Revolution.

Flour.—Our returns show a great increase of 49,679 tons or 153·8 per cent. due to the poor rice and wheat crops in China throughout the year. Districts which were supplied last year from the abundant crops of China have this year been compelled to fall back on the American products. The price of rise has also enhanced the demand for American flour, this being used as a substitute for rice and rice-flour. The prices of rice throughout the year have practically stood at about 40 per cent. over normal prices, and possibly the high prices of flour in Australia have to some extent inflated our imports of flour here, inasmuch as such high prices have curtailed that country's shipments to ports south of Hong Kong which are large consumers (Java, Straits, Burmah, &c.), and the southern ports have come to us for their supplies. Hong Kong is the distributing centre of American flour for those ports.

Rice.—Here our returns show a falling off of 152,224 tons or 26·6 per cent. The failure of the southern crops in general, as evidenced by the high prices which have ruled on the markets for the last half year, has, of course, been the reason of the decline.

Summary.—The total reported imports during the year amounted to 3,995,793 tons, as against 4,292,194 tons in 1910, a decrease of 296,401 tons or 7·4 per cent. Exports show an increase of 71,672 tons or 3·1 per cent. Transit cargo shows an increase of 66,109 tons or 1·6 per cent. These figures are not, however, reliable there being no means of collecting accurate information in the absence of any Customs staff.

Emigration and Immigration.

135,565 emigrants left Hong Kong for various places during the year 1911 (111,058 in 1910). Of these 92,691 were carried in British ships and 42,874 in foreign ships. These figures show a substantial increase of 24,507 (or 22 per cent.) over 1910, and can be accounted for in the same way as last year, namely, by the demand for labour in the rubber plantations of the Malay States.

Statement of Number of Emigrants to Straits Settlements 1907 *to* 1911 *compared with total Chinese Emigration* 1907 *to* 1911.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1907	83,048	105,967
1908	49,639	71,081
1909	48,016	77,430
1910	76,705	111,058
1911	100,906	135,565

149,894 returning emigrants are reported to have been brought to Hong Kong from the several places to which they had

emigrated, either from this Colony or from coast ports, as against 149,564 in 1910. Of these 112,328 arrived in British ships and 37,566 in foreign ships.

(*b.*) INDUSTRIES.

(i.) —*Under European Management.*

Engineering and Shipbuilding.—This industry has improved during the year under review.

1911.

—	Vessels.	Gross Tons.	I.H.P.
Taikoo Dockyard and Engineering Co., Ld.	9	2,281	3,650
Hongkong and Whampoa Dock Co., Ld. ...	13	552	703
W. S. Bailey & Co.	8	206	413
Macdonald & Co.	5	50	173
Ulderup and Schluter	30	408	860
Tung Hing Lung	1	55	250
Kwong Tak Hing	1	210	192
W. C. Jack & Co.	3	45	48
Kwong Hip Lung Co., Ld.	3	76	320
Total	73	3,883	6,609

1910.

Taikoo Dockyard and Engineering Co., Ld.	8	2,231	1,718
Hongkong and Whampoa Dock Co., Ld. ...	14	715	2,070
W. S. Bailey & Co.	4	121	200
Macdonald & Co.	3	169	160
Ulderup and Schluter	2	317	150
Total	31	3,553	4,298

Sugar Refinery.—Various circumstances combined to cause the year 1911 to be an unfavourable one for this industry. In the early part of the year the world's prices assumed a strong downward tendency, due to heavy crops being anticipated in the main sugar-producing centres. This affected prices unprofitably in Hong Kong and the East. Later a reaction in prices took place, due to shortness in the European beet crops, and values mounted up here in common with other parts of the world, but the more prosperous results which these circumstances placed within the reach of the Hong Kong refineries were nullified by the outbreak of the Revolution, which reduced local demand to a minimum.

Cotton-Spinning.—Owing to the high prices required for cotton during the early part of last year it was impossible to work at a profit and one mill was closed for nine months. Towards the end of the year the Revolution in China dislocated business and the outlook is still unsatisfactory.

Rope Manufacturing.—There is very little requiring special comment, and the trade for the year has gone on without any distinguishing feature. The power of absorption of the local and adjacent markets seems to vary very little. The price of hemp has been fairly steady throughout the year, the extreme fluctuation not exceeding $3 per picul in Manila.

Cement.—There has been a fair demand throughout the year.

Brewing.—The Oriental Brewery, of which hopes of success were confidently expressed in 1910, was unfortunately unable to compete with other breweries and has passed into liquidation.

(ii.)—*Under Chinese Management.*

Rattan and Fibre Furniture.—Business showed a slight falling off. There are 41 firms, large and small, in the trade.

Native Tobacco.—There are 26 factories in existence. Business is still unsatisfactory owing to the competition in China of foreign tobacco corporations and the sale of foreign cigarettes. The local tobacco crops were fairly good.

Tinned Goods.—This business increased moderately, and considerable exports have been made to Annam and Singapore.

Samshu.—The local manufacturers of native spirits report having had a good year. The total output of all kinds of native spirits (including the New Territories) was nearly 1,100,000 gallons, as against 800,000 gallons in 1910. This increase is due to a decrease in import from China consequent on the recent unrest.

Vinegar.—All the large native distilleries produce vinegar as well as samshu. The yearly output of the seven largest firms amounted to some 850,000 gallons. The figures given for 1910 (two million gallons) were probably wrong.

Knitted Vests and Socks.—There are five factories in existence. A large local demand, which has lately still further increased, exists for these articles.

Leather.—There are eight local tanneries. The high price of hides affected the business adversely, and the volume of trade fell off by about 10 per cent.

Ginger and Preserves.—The volume of business done still showed a decrease and was affected by the price of sugar. There are 14 factories in the Colony.

Soy.—There is no improvement to report in this trade, which remains dull.

Paper.—The trade still shows satisfactory progress.

Vermilion.—The volume of this trade has again fallen off and at the end of the year the demand for this commodity was almost non-existent.

Lard.—Much of the lard manufactured in the Colony is exported to the Philippines, where regulations require the purity of animal products to be certified. The local manufacturers of lard made from animals killed in the Colony willingly comply with the regulations. The output still increases. During 1911 a lard and meat factory was started purely in the interests of the Philippine trade.

(*c*.) FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories are largely dependent upon this industry for their prosperity. Since the middle of last year a steam trawler has been engaged in fishing over various grounds, and has contributed its hauls to the local markets. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d*.) FORESTRY, AGRICULTURE, AND BOTANY.

The formation of pine tree plantations in the Harbour Belt between Laichikok and Lyemun has been continued to the extent of about 300 acres, and sites which failed in the area sown in the previous year have been resown. This Belt has now been completed.

Mount Davis, and an area of about 70 acres at Aberdeen where pine trees were felled in 1910 under the timber contract, have been resown with pine tree seeds.

The areas cleared by fire last year on the slope of Mount Kellett, which descends to Aberdeen, have also been resown with pine tree seeds.

On Mount Gough, where a fire occurred last year, about 1,800 sites have been sown with seeds of broad-leaved trees.

Experiments have been made in planting broad-leaved trees and sowing seeds of shrubs on the bare hills on the southern slopes of the Kowloon range of hills.

In Hong Kong and Kowloon shade trees have been renewed where required, and flowering trees have been planted in suitable places. Altogether 800 trees have been used for these purposes.

Trees have been planted alongside the Castle Peak-Shataukok Road to the number of 4,800.

At Aberdeen pine tree felling under the timber contract has been carried out in two blocks. Seventy acres have been felled east of the paper mill and 140 acres west of the Aberdeen New Road.

Undergrowth to the extent of about 2,950,000 square feet has been cleared at the cost of the Government, 1,000,000 square feet at the cost of the Military Authorities, and 250,000 square feet at the cost of private individuals in connection with the fight against mosquitoes and malaria. About 300,000 square feet of undergrowth have been cleared for the Public Works Department for the purposes of survey.

Several kinds of fodder grass have been experimented with, but nothing has been found equal to the guinea grass which is so much grown in the Colony.

The first and second rice crops were good. Lichis were a good crop and the railway carried some of the crop to Hong Kong.

Several samples of vegetable products have been submitted to the Director of Imperial Institute for investigation. His report on the majority of the articles has not yet been received. In a report on tea-seed cake, however, he stated that the article was likely to lead to business, as two firms were satisfied with the price and wished to be put in communication with exporters of the cake.

The key to the flora of Hong Kong, the New Territories, and Kwang-tung Province is now in course of publication. The editor of the Journal of Botany was unable at the last minute to accept it for publication and it is now being published by the Director of the Royal Gardens at Kew as an additional series of the Kew Bulletin.

(*c.*) LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount received from sales of Crown land and pier rights after deducting expenses of sales was $270,005, an increase of $207,319 on the previous year and $149,170 more than the average amount received for the last five years. Of this amount $4,741 was received in respect of the sale of various pier sites and extensions to existing piers, $5,899 was received in respect of sales of land in the New Territories, and the remainder from sales of new lots of Crown land and grants of extensions to existing lots in the island of Hong Kong and Old Kowloon. The chief items were received in respect of the sales of inland lots 1892 and 1901, which realised $34,600 and $80,100 respectively.

There has been a considerable increase in the number of building lots in the city sold by the Government during the year, 18 lots having an area of 7a. 3r. 35¾p. having been sold for a premium of $234,767, as against six lots with an area of 1r. 19¼p. and at a premium of $4,776 for the previous year.

There has again been a very considerable increase both in number and value of private properties which have changed hands during the year, the purchase moneys having exceeded those of the previous year by over six million dollars. There is a good demand for residental houses on the lower levels and in many instances a considerable rise in prices has been obtained, which may be accounted for by the large number of Chinese gentry who have invested in house property in the Colony during the latter part of the year. There is a considerable demand for good mortgage securities with a tendency to accept a reduced rate of interest.

Sales of vacant Crown lands in the New Territories continue even and consist chiefly of small building sites at prices ranging from 1 to 2 cents a foot and land for purposes of cultivation at from ¼ to ¾ cents a foot.

III.—LEGISLATION.

Sixty-five Ordinances were passed during 1911, of which 41 were amendments to other Ordinances and five were connected with the revision of the Ordinances of Hong Kong now being carried out by the Chief Justice (Sir F. T. Piggott, Kt.). This is the largest number of Ordinances ever passed by the Hong Kong Legislative Council in one year.

The most important Ordinances were:—The Defence (Sketching Prevention) Ordinance (No. 3), the Consolidation of the Liquor Laws (No. 9), the University Ordinance (No. 10), the Stamp Duties Management Ordinance (No. 35), the Code of Civil Procedure Amendment (No. 36), the Societies Ordinance (No. 47), the Chinese Partnerships Ordinance (No. 53), and the law relating to Companies (No. 58).

IV.—EDUCATION.

There are 67 Government and grant schools, the most important of which is Queen's College. Of these 20 are upper grade schools, with a staff competent to give instruction in all subjects of the seventh standard and above. These latter schools have an average attendance of 4,107, and the medium of instruction in all of them, with the exception of four girls' schools, is English. The 47 remaining schools are all lower grade. They comprise one school for British Indians, where English and Urdu are taught, six Government schools, and 40 grant vernacular schools. The average attendance at all these lower grade schools is 2,196. The total average attendance at both grades of school is 6,303.

The revenue derived from school fees was $76,056.25 (of which $40,435 was from Queen's College).

Two schools are limited to children of British parentage. Both these schools (one for boys, the other for girls) are under the Government. In 1911 the combined average attendance at them was 76.

Higher education is represented by the Technical Institute, where instruction is given in the evening in mathematics, machine drawing, building construction, field surveying, and allied subjects; in chemistry and physics; in the English and French languages, book-keeping and shorthand. There is also a teachers' class, at which the junior Chinese masters of Government and grant schools are expected to attend. A kindergarten class has also been started for teachers in girls' schools. The Institute is furnished with a well equipped laboratory. The lecturers are chiefly civil servants recruited from the European staffs of Queen's College and the Public Works Department. These officers receive fees for their services.

The Hong Kong University building, the gift of Sir Hormusjee Mody, was almost completed at the end of the year, and was opened in March, 1912. It is expected to be open for teaching in the autumn of this year. The first Chairs will be those of medicine, engineering, and arts. On 31st December, 1911, the endowment fund amounted to $839,970.11 in Hong Kong currency and a sum £40,098 7*s.* 3*d.* in sterling.

V.—PUBLIC WORKS.

Of the important works in progress, the Post Office was completed by the middle of the year and the following departments were accommodated on three floors of the building:—Post Office, Treasury, Registrar-General's Department, Sanitary Department, Education Department, the District Office for the South of the New Territories, and the Audit Department. The extensive basement was partly utilized for postal purposes and partly for the storage of materials required by the Sanitary Department. A fourth floor, which is intended to provide for future expansion, remains unoccupied; but it has been decided to let it for offices in the meanwhile. The Law Courts were practically completed. Substantial progress was made with the Mongkoktsui Breakwater, but all the work executed was invisible, being below low water level. A contract for the reconstruction of the old Western Market was let in September, and fair progress with the foundations had been made by the close of the year.

The following buildings were completed:—Kowloon Market; additions to No. 2 Police Station; Staff Quarters, Kennedy Town Hospital; Police Station, Ts'ün Wan; reconstruction of Government Pavilions; Hospital at the Quarantine Station, Lai Chi Kok; workshops and sheds for ambulances at the City Disinfecting Station; coal shed, Tai Po; latrines in Mee Lun Lane and Rutter Street; and a trough closet in Queen's Road West under the ramp leading to the Government Civil Hospital. The following building works were in erection:—Sanitary office in Wantsai District; additional storey and extensions, Yaumati English School; market and slaughter house, Aberdeen; stables, Yaumati Disinfecting Station; quarters for searchers, Imports and Exports Office; lighthouse and quarters, Kap Sing Island; an extension of the Maternity Hospital; and the reconstruction of coolie quarters at the City Slaughter Houses to admit of the provision of further accommodation for slaughtering pigs.

The diversion of Wongneichong Road past Inland Lot 1698 was completed and extended northwards to join the permanent alignment of that section of the road which had previously been formed. The area formerly occupied by No. 2 Tank was filled in. A path from Bowen Road to May Road, bifurcating towards the latter road, was completed, and paths from Boundary Path to Kennedy Road and from Chamberlain Road to Plantation Road were in progress. A diversion of Bonham Road to admit of an extension of Inland Lot 754 was also in progress, the necessary works being executed at the expense of the lessees of the lot mentioned. A road to the site of a proposed Japanese Crematorium in Sookunpoo Valley was completed. In the New Territories, the sections of road extending from Ping Shan to Au Tau and from San Tin to Au Ha Gap were completed. As it was decided to utilize the last-named section for a light railway, to extend from Fan Ling railway station to Sha Tau Kok, the necessary extension of the road to the latter place was abandoned, a track for the light railway taking its place. The construction of this track and the laying of the light railway were carried out by the Railway Administration. A pier was constructed in

Castle Peak Bay and connected with the road to Ping Shan and Au Tau.

The training of some of the nullahs between Bowen Road and Magazine Gap to the eastward of the Military Hospital was completed, and a considerable amount of such work was executed to the south of Magazine Gap in the valley below the Military Sanatorium, the military authorities sharing the cost of the latter work. A considerable length of the nullah at No. 12 Bridge, Shaukiwan, was also trained and the stream past Pokfulam Village was channelled and otherwise improved. In Kowloon, an extension of the nullah in Waterloo Road to the north of No. 4 Railway Bridge was carried out. Underground tanks were constructed at the junction of Arbuthnot Road and Wyndham Street and in Stone Nullah Lane for the purpose of flushing the low-level sewers, the necessary connections with the sewerage system being made. The laying of a sewer in Cragmin Road to intercept the drainage from houses on the southern slopes of Mount Gough, &c. was undertaken and connections with a number of the houses were carried out. Extensive drainage works were also executed in Shaukiwan West and Shamshuipo.

The reclamations at the end of Gillies Avenue, Hunghom, and for the market and slaughter house at Aberdeen were completed; the reconstruction and raising of Tai Hang Village was continued; similar work of a more extensive nature at Ap Liu Village, near Shamshuipo, was undertaken and the reclamation of the area in front of Kowloon Marine Lots 29 to 31, at Yaumati, was begun.

The work of providing scavenging lanes was continued, compensation being paid where necessary.

The Tytam East or Mount Parker Catchwater was extensively repaired or reconstructed, and a considerable extension of the Shaukiwan Water Works, for the purpose of augmenting the supply to that village, was undertaken. An 8″ water main was substituted for the 3″ and 4″ previously existing from Percival Street to the Asiatic Petroleum Company's Works (Marine Lot 277).

Extensive illuminations of the principal public buildings were carried out on the occasion of the Coronation of His Majesty King George V.

The total amount expended on Public Works Extraordinary was $1,094,817.93 and on works annually recurrent $486,940.80.

Several typhoons of considerable severity occurred, one of these, which occurred in August, being accompanied by a severe rainstorm, 15¼ inches of rain falling in two days and causing considerable damage to roads, retaining walls, &c.

Railway.

Little construction work was carried out during 1911 with the exception of building the workshops, erecting machinery, and pitching the slopes of No. 1 Cutting. Nothing was done towards the building of the terminal station at Kowloon, but negotiations were carried on for the acquisition of the necessary land and it is anticipated that the work will be put in hand at an early date. A two-foot gauge branch line from Fan Ling to Sha Tau Kok, a distance of 7¼ miles, was commenced in May, 1911, and three sections were opened for traffic on 21st December. The fourth and last section had not been opened at the end of the year.

In October last through traffic between Hong Kong and Canton was established but, owing to the disturbances in Chinese territory, traffic on the Chinese section was suspended at the request of the late Viceroy on November 7th and was not resumed until the 14th December. Thereafter the traffic to the end of the year was below normal. The local traffic was steady during the year and receipts were more than was anticipated.

Passengers carried between 5th October and 31st December are as follows:—

British Section to China	29,338
China to Hong Kong and Kowloon... ...	27,653

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*.) HOSPITALS.

Government hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an observation station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the harbour.

The Civil Hospital contains 150 beds in 19 wards. 2,370 in-patients and 15,489 out-patients were treated during 1911 as against 2,644 and 17,759 respectively in 1910. 112 cases of malarial fever were admitted as against 340 in 1910 and 188 in 1909. The Maternity Hospital contains 6 beds for Europeans and 4 for Asiatics. 138 confinements occurred during the year as against 107 in 1910. The Victoria Hospital at the Peak contains 41 beds, and during 1911 309 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 22 cases were treated in 1911, 21 being small-pox.

(*b*.) LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 220 patients of all races were treated during 1911 and there were 14 deaths.

(*c*.) THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst a Chinese house surgeon, trained in Western medicine, is a member of the hospital staff. There are 323 beds in the buildings and 3,649 patients were accommodated during 1911.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904 and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1911 was 1,399 and the expenditure $16,600. The number of labours in the Maternity Hospital was 249. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October. It occupies a site having an area of 3 acres and as designed will ultimately provide accommodation for 210 patients. The existing buildings contain 70 beds, and 169 patients were accommodated during 1911. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Registrar-General, but when completed the hospital will form part of the Tung Wa Hospital and be under the same management. The hospital will receive a grant of $8,500 per annum from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported, by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the Hong Kong College of Medicine, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Registrar-General and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Registrar-General under that Ordinance are sent to the Pó Leung Kuk. During 1911 the number of persons admitted was 514, and at the close of the year 72 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It is now housed in the Belilios Reformatory and receives a small grant from the Government as well as a contribution from the Pó Leung Kuk.

The Hong Kong College of Medicine was founded in 1887. The government of the College is vested in the Court, of which the Rector of the College, who has always been a Government official, is President. The lecturers, who are Government officials or private medical practitioners, each receive a small honorarium, the funds being derived from the fees of the students, a Government grant-in-aid of $2,500, and certain legacies and bequests. The minimum course of study is five years, and the preliminary examination has been accepted by the General Medical Council of Great Britain. 125 students had been enrolled up to last December, and of these 43 have become qualified licentiates. Most of the licentiates have settled in the Colony, and are exerting a most useful influence in the direction of displacing native medical methods and popularising Western medical and sanitary knowledge, while a considerable number are employed as resident surgeons in the hospitals for Chinese and as medical officers in charge of the Public Dispensaries. The work of the College has thus far been carried on in lecture-rooms and laboratories made available in various hospitals, &c., in different parts of the City. When the Hong Kong University is open, the College will be merged into its Faculty of Medicine.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, &c., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent ($1,280), the French Convent, (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters who can assist the inmates of houses where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence, including one for the boat population on a hulk in Causeway Bay. The total cost of maintenance, which is defrayed by voluntary subscription, was $33,434. The Dispensaries are conducted by committees under the chairmanship of the Registrar-General.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 9,289 being a decrease of 500 or 5 per cent. as compared with 1910. There was in 1911 a decrease in serious offences of 25 or 0·69 per cent. as compared with the previous year. The number of serious offences reported was 167 over the average of the quinquennial period commencing with the year 1907. The number of minor offences reported shows a decrease of 475 as compared with 1910, and was 877 below the average of the quinquennial period.

The total strength of the Police Force in 1911 was Europeans 134, Indians 399, Chinese 547, making a total of 1,080 (as compared with 1,042 in 1910) exclusive in each case of the five superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government departments, and by private firms. Of this force 13 Europeans, 92 Indians, and 47 Chinese were stationed in the New Territories during the year, under the District Officer.

The District Watchmen Force, numbering 124, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 4,178 as compared with 4,867 in 1910. Of these 1,191 were committed for criminal offences, against 1,212 in 1910. Of committals for non-criminal offences there were 9 less under the Prepared Opium Ordinance, and 13 less for infringement of sanitary laws, than in 1910.

The daily average of prisoners confined in the gaol was 595, the average for 1910 being 547, and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·14, which is the average percentage for the last ten years. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The gaol has accommodation for 590 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·61 as compared with 1·33 in 1910 and 1·38 in 1909.

Long-sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, washing, mat-making, tailoring, oakum-picking, &c. The profit on the work done was $51,833 as against $48,902 in 1910. There was $4,627 received and credited to Government for non-Government work against $4,253 in 1910.

IX.—VITAL STATISTICS.

(*a.*) POPULATION.

The civil population of the Colony, according to the Census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the Census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 464,277, but this includes the New Territories; and, as the death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating death-rates is estimated at 373,627, of whom 18,837 were non-Chinese.

The distribution of the population at the Census was as follows:—

Non-Chinese civil community			12,075
Chinese Population.	City of Victoria (including Peak)	219,386	
	Villages of Hong Kong	16,106	
	Kowloon (including New Kowloon)	67,602	
	New Territories	80,622	
	Population afloat	60,948	
Total Chinese population			444,664
Total Civil population			456,739

(*b.*) PUBLIC HEALTH AND SANITATION.

The gradual replacement of the old type of Chinese dwelling by the new premises erected in accordance with the Public Health and Buildings Ordinance, 1903, is effecting a slow, but certain, improvement in the healthiness of the native quarters; but this has been somewhat discounted during the past year by an abnormal influx of Chinese refugees from the Canton district, which was coincident with the revolutionary movement in South China. It has been estimated that at least twenty thousand people arrived in Hong Kong within a period of a few weeks during the months of April and May from this cause, and although some of these fugitives had no doubt returned to China before the close of the year, yet there is ample evidence that a sufficient number have remained to throw a considerable strain upon the housing accommodation of the Colony. A further, but smaller, influx due to similar causes occurred during the month of November. The chief sufferers from this cause would seem to be the Portuguese, who are largely employed as clerks, accountants, &c., in both Government and private offices. This section of the community has for some years past occupied dwellings of European type in the neighbourhood of Caine Road, Shelley Street, Mosque Terrace, &c., but they have recently been dispossessed by more wealthy Chinese tenants from Canton. At the same time the poorer classes of refugees have crowded into the native quarters of the City and of Kowloon, with the result that there has no doubt been some amount of overcrowding of a temporary nature. This has been dealt with, where it has been found that premises unfit for habitation—such for instance as basements—have been occupied, or where the overcrowding has been excessive; but it has been felt that the conditions were for the time being abnormal, and a rigid enforcement of the overcrowding laws has not been attempted.

There can be little doubt, moreover, that this influx of refugees has contributed largely to the increase in the number of cases of plague and to the considerable outbreak of small-pox which occurred at the latter end of the year.

The general death-rate for the year was 21·13 per 1,000 among the Chinese community, and 13·38 among the non-Chinese community, as compared with 22·50 and 10·04 during 1910.

The number of deaths from malaria (338) is considerably lower than it has been for the previous five years, and Kowloon still maintains the low average which it assumed on the completion of the railway works. The deaths from this cause in the city of Victoria numbered 176 out of a population of 218,000; but more than 26 per cent. of these deaths occurred in Health District No. 9, in close proximity to which extensive building operations have been in progress during the past year.

The deaths from plague numbered 253, as compared with 23 in 1910, and 108 in 1909. All the cases of plague were Chinese, with the exception of one Indian constable, who died.

Small-pox deaths numbered 198—all Chinese, with the exception of one British missionary lady, who succumbed to the hæmorrhagic type of the disease; only ten of these were returned as having been previously vaccinated.

There were 2,487 deaths from respiratory diseases among the Chinese, as compared with 2,603 in 1910. Phthisis claimed 753 Chinese victims, while other forms of tuberculosis represent an additional 426 deaths, making a total of 1,179 or 15·7 per cent. of the total deaths among that community.

Beri-beri was responsible for 320 deaths, as compared with 566 during 1910, and 555 in 1909. During the past year circulars have been distributed to all large employers of coolie labour calling their attention to the fact that beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice when fresh meat or fresh fish cannot be afforded, and it is possible that the dissemination of this information may have had some influence in reducing the mortality from this disease.

(*c.*) CLIMATE.

The average monthly temperature throughout the year was 72·1° F. as compared with 72·0° F. in 1910 and an average of 72·1° F. during the ten preceding years. The maximum mean monthly temperature was attained in June, when it reached 87·2° F., and the mean minimum monthly temperature was recorded in January, when it was 55·5° F. The highest recorded temperature during the year was 93·1° F. on the 25th August, and the lowest 47·1° F. on the 24th February.*

The total rainfall for the year was 90·55 inches, as compared with an average of 80·73 inches during the ten preceding years. The wettest month was August with 30·06 inches, the driest, February, when no rain was recorded. The greatest amount of rain which fell on any one day was 8·61 inches on the 5th August, while no rain fell on 220 days of the year. The mean relative humidity of the atmosphere for the year was 79 per cent., as compared with an average of 77 per cent. during the ten preceding years. The average daily amount of sunshine was 5·7 hours, being 50 per cent. of the possible duration.

These figures are those recorded at the Observatory, Kowloon, and there is a very considerable divergence between that place and Hong Kong (low levels), the Peak District, or Tai Po (New Territories), both in rainfall, temperature, and humidity.

X.—POSTAL SERVICE.

The total revenue from the postal service in 1911 was $399,217.15 and total expenditure $422,267.97. The result of the year's working shows a deficit of $23,050.82. Direct exchange of money orders with the Philippine Islands commenced on 1st July, and a revised parcel arrangement with Siam came into operation on 26th September.

XI.—GENERAL OBSERVATIONS.

During the past year no general assessment was made. The existing valuation for 1910-11 was ordered to be adopted as the valuation for 1911-12, the difference in rateable value being the result of interim assessments. There is an increase in the rateable value of the whole Colony of 0·71 per cent. In the city of Victoria, the Hill District, Shaukiwan, Saiwanho, Quarry Bay, Hong Kong villages, Kowloon Point, Yaumati, Mongkoktsui, and New Kowloon there is an increase ranging from 10·59 to 0·29 per cent., the largest increase being in New Kowloon. There is no change in Hunghom and Hokun. Kowloon villages show a decrease of 1·76 per cent.

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* These are the temperatures recorded by the Observatory at sea-level. The temperature in the high levels at the Peak averages some 10° less.

The average rate of exchange (demand on London) which had been 1*s*. 9·6021*d*. to the dollar for 1910 rose to 1*s*. 9·754808*d*. for 1911.

The position with regard to subsidiary coins still remained unsatisfactory. The discount during the year on Hong Kong silver subsidiary coin varied between ¾ per cent. on 50 cent pieces and 7⅛ per cent. on 10 cent pieces, that on Hong Kong copper cents varied from 9 to 12 per cent. The loss on such coin collected as revenue came to $49,434.96.

His Majesty's Government made the Colony a grant of £12,000 for the year 1911-12 on account of an estimated loss of $225,860 incurred during that year in respect of opium revenue.

By the agreement of the 8th May, 1911, between Great Britain and China, no Indian opium can be imported into China, unless accompanied by a certificate issued by the Indian Government that such opium has been exported from India for consumption in China. To prevent attempts to smuggle non-certificated Indian opium from Hong Kong into China, an Ordinance was passed on 1st September, 1911, prohibiting the import of non-certificated Indian opium into Hong Kong except for the use of the Hong Kong opium farmer.

In August, 1911, the port of Macao was added to the list of places to which the export of morphine and compounds of opium is not permitted except on production of an official certificate from the country concerned that such import is for legitimate purposes. The import of morphine and compounds of opium for export practically ceased towards the end of the year, and considerable quantities lying in Hong Kong were shipped back to London.

The 22nd June, being the day fixed for the Coronation of His Majesty King George V, was observed as a holiday and the whole of the population joined in celebrating the occasion. A review of the troops was held, at which about 3,500 soldiers and sailors paraded. A short service was held by the Chaplain and cheers were raised for His Majesty. Subsequently the troops marched through the principal streets of the city. The European, Chinese, and Indian communities all combined to show their loyalty and devotion. Services were held in the Protestant and Roman Catholic cathedrals and other churches. The Parsee and Sikh communities also held special services. The children of the Colony were entertained and were addressed by Sir F. D. Lugard, and sports of all kinds were arranged for them. The whole of the Colony was illuminated for three nights, all the men-of-war in harbour, of whatever nationality, combining in the display. A reception and fête was held at Government House in the evening, at which practically the whole of the European population and many Chinese and Indians attended.

From July, 1910, the audit of the Colony's expenditure has been carried out locally instead of in London. The new arrangement has proved very satisfactory and the additional staff required has been very small, viz., one fourth grade and one fifth grade clerk.

The preparation of a revised edition of the Ordinances of Hong Kong to the end of the year 1911 was considered necessary, and the revision was entrusted to the Chief Justice, Sir F. T. Piggott, who commenced work in March, 1911. At the close of the year the revision work was still in progress.

On the 7th September, 1911, a Board of Chinese Vernacular Primary Education was constituted by the Governor-in-Council with the following duties:—

(1) to promote efficient Chinese vernacular education in the Colony;
(2) to collect funds to supplement a Government subsidy made to the Board.

The Board consists of the Registrar-General and the Director of Education (*ex officio*) and of five Chinese gentlemen nominated by the Governor. The Government subsidy to the Board for the year 1912 will be $4,100.00, which the Board intend to distribute after a survey of the general situation and after inspection in the month of December of schools selected from the list of applicants for assistance. The Board is giving attention in the first instance to boys' schools in the city of Victoria and other parts of the old Colony. Its operations do not extend to the New Territories. Girls' schools are also for the present not placed under the supervision of the Board.

The Grant Code was amended in September in certain particulars. The amendments, which took effect on the 1st January, 1912, reduced the rates of capitation grants for such Vernacular Schools as are without immediate English supervision. The practice of giving grants in aid of rent to vernacular boys' schools occupying leased premises is being discontinued. The reason for this restriction of expenditure is that the grant hitherto offered to vernacular schools was too high for the standard of work attained.

On 4th October, the Chinese section of the Kowloon-Canton railway was opened for through traffic, thus completing direct communication by rail between Kowloon and Canton.

The revolutionary movement in China was reflected in the Colony on 6th November by an ebullition among the Chinese community, which for some days was in a state of great excitement. A proclamation under the Peace Preservation Ordinance, 1886, as amended by Ordinance No. 52, of 1911, was issued on 29th November and was still in force at the end of the year. The police succeeded in preventing any serious outbreak of lawlessness, though the influx of undesirable characters from Canton and other parts of China was disagreeably apparent and many cases of disorderliness, assaults, and petty thieving were reported. Military assistance was provided in the form of armed patrols, and the police force was temporarily augmented by enlisting 20 special constables.

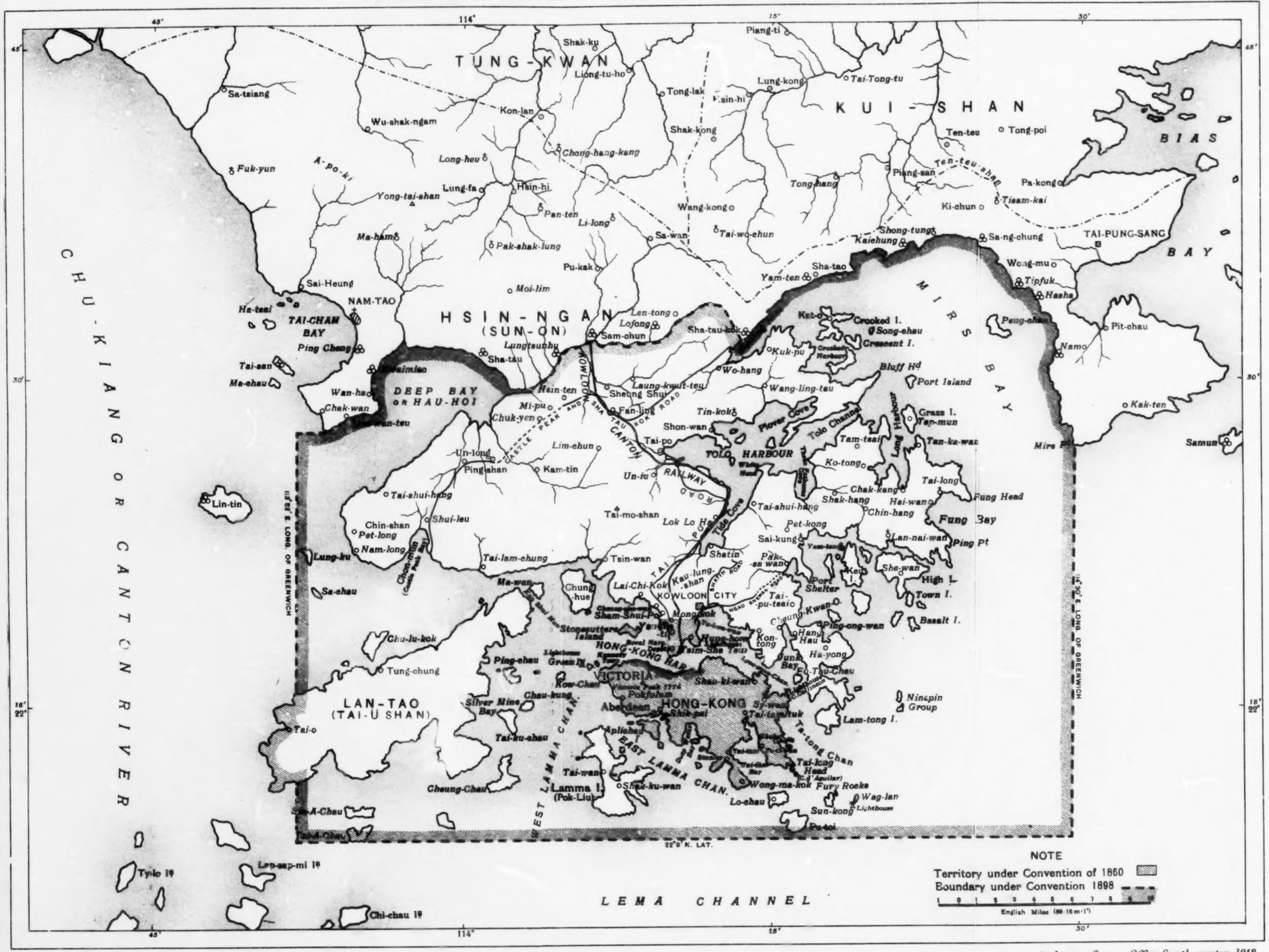
On 21st January, Sir Henry May vacated the office of Colonial Secretary to take up the office of Governor of Fiji and High Commissioner for the Southern Pacific. His place was filled by the appointment of Mr. W. D. Barnes from the Federated Malay

States Service, whose untimely death on the 28th October again rendered the Colonial Secretaryship vacant. Mr. Claud Severn, of the Federated Malay States Service, was subsequently appointed, but did not assume his duties during the year. Mr. C. Clementi was in charge of the Colonial Secretary's department from 22nd January to 21st February, and acted as Colonial Secretary from 22nd February to 6th June and again from 29th November to the end of the year under review. Mr. Brewin acted from 30th October to 28th November.

C. CLEMENTI,
Acting Colonial Secretary.

22nd June, 1912.

HONG-KONG, KOWLOON AND ADJACENT TERRITORIES.



TUNG-KWAN
KUI-SHAN
HSIN-NGAN (SUN-ON)
CHU-KIANG OR CANTON RIVER
BIAS BAY
MIRS BAY
DEEP BAY OR HAU-HOI
TAI-CHAM BAY
TOLO HARBOUR
Tolo Channel
Long Harbour
Plover Cove
Crooked Harbour
Tide Cove
Fung Bay
LAN-TAO (TAI-U SHAN)
HONG-KONG
VICTORIA
KOWLOON CITY
HONG-KONG HAR.
WEST LAMMA CHAN.
EAST LAMMA CHAN.
Lamma I. (Pok-Liu)
Tai-tong Chan
LEMA CHANNEL
KOWLOON AND CANTON RAILWAY
CASTLE PEAK AND SHA-TAU-KOK ROAD
TAI PO ROAD
Shak-ku
Liong-tu-ho
Piang-ti
Tai-Tong-tu
Lung-kong
Tong-lak
Hsin-hi
Shak-kong
Sa-tsiang
Wu-shak-ngam
Kon-lan
Chong-hang-kang
Long-heu
Fuk-yun
A-po-ki
Yong-tai-shan
Lung-fa
Hsin-hi
Pan-ten
Li-long
Wang-kong
Tai-wo-chun
Sa-wan
Ten-teu
Tong-poi
Tong-hang
Piang-san
Ten-teu-shan
Pa-kong
Tsam-kai
Ki-chun
Shong-tung
Kaichung
Sa-ng-chung
TAI-PUNG-SANG
Wong-mu
Tipfuk
Hasha
Ma-ham
Pak-shak-lung
Pu-kak
Moi-lim
Sai-Heung
NAM-TAO
Ha-tsai
Ping Cheng
Tai-san
Ma-chau
Wan-hai
Chak-wan
Len-tong
Lofong
Sam-chun
Lungtsunhu
Sha-tau
Sha-tau-kok
Yam-ten
Sha-tao
Kat-o
Crooked I.
Song-chau
Crescent I.
Kuk-pu
Wo-hang
Wang-ling-tau
Laung-kwut-teu
Sheung Shui
Fan-ling
Hsin-ten
Mi-pu
Chuk-yen
Tin-kok
Shon-wan
Tai-po
Bluff Hd
Port Island
Grass I.
Tap-mun
Tam-tsai
Tan-ka-wan
Ko-tong
Peng-chau
Namo
Pit-chau
Kak-ten
Mirs Pt
Samun
Lin-tin
Un-long
Ping-shan
Kam-tin
Lim-chun
Un-tu
Tai-shui-hang
Shui-leu
Chin-shan
Pet-long
Nam-long
Tai-lam-chung
Tai-mo-shan
Lok Lo Ha
Tai-shui-hang
Pet-kong
Sai-kung
Chak-kang
Shak-hang
Chin-hang
Tai-long
Fung Head
Hai-wan
Lan-nai-wan
Ping Pt
She-wan
High I.
Town I.
Basalt I.
Shatin
Pak-sa wan
Tsin-wan
Lai-Chi-Kok
Kau-lung-shan
Port Shelter
Tai-pu-tsai
Cheung-Kwan-O
Ping-ong-wan
Lung-ku
Sa-chau
Ma-wan
Chung-hue
Chu-lu-kok
Tung-chung
Ping-chau
Green I.
Sham-Shui-Po
Stonecutters Island
Yau-ma-ti
Mong-kok
Hung-hom
Tsim-Sha Tsui
Kon-tong
Hang Hau
Junk Bay
Ha-yong
Tit-Chau
Shau-ki-wan
Kow-Chau
Pokfulum
Aberdeen
Shek-pai
Silver Mine Bay
Chau-kung
Tai-ku-chau
Aplichau
Tai-tam-tuk
Tai-long Head
Wong-ma-kok
Fury Rocks
Wag-lan Lighthouse
Lo-chau
Sun-kong
Pu-toi
Lam-tong I.
Ninepin Group
Tai-o
Cheung-Chau
Tai-wan
Shek-ku-wan
Sha-A-Chau
Tai-A-Chau
Ty-lo I^{d}
Lap-sap-mi I^{d}
Chi-chau I^{d}
Castle Peak Bay
Chek-chun
Kowloon
Canton
Railway
113°54' E. LONG. OF GREENWICH
114°30' E. LONG. OF GREENWICH
22°9' N. LAT.
45'
114°
15'
30'
22°
NOTE
Territory under Convention of 1860
Boundary under Convention 1898
English Miles

Ordnance Survey Office, Southampton, 1912.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
694	Sierra Leone	1910
695	Southern Nigeria	"
696	Bechuanaland Protectorate	1910–1911
697	Swaziland	"
698	Barbados	"
699	Trinidad and Tobago	"
700	Mauritius	1910
701	Grenada	"
702	British Guiana	1910–1911
703	Jamaica	"
704	Northern Nigeria	"
705	East Africa Protectorate	"
706	British Honduras	1910
707	Tongan Islands Protectorate	"
708	Uganda	1910–1911
709	Straits Settlements	1910
710	Basutoland	1910–1911
711	Leeward Islands	"
712	St. Vincent	"
713	St. Lucia	1910
714	St. Helena	1911
715	Weihaiwei	"
716	Ceylon	1910–1911
717	Gibraltar	1911
718	Gambia	"
719	Ashanti	"
720	Falkland Islands	"
721	Seychelles	"
722	Northern Territories of the Gold Coast	"

MISCELLANEOUS.

No.	Colony, &c.	Subject.
71	Imperial Institute	Foodstuffs.
72	Fiji	Hurricane, 1910.
73	Jamaica	Cayman Islands.
74	Ceylon	Mineral Surveys, 1906–7 and 1907–8.
75	West Indies	Imperial Department of Agriculture.
76	Southern Nigeria	Mineral Survey, 1907–8.
77	St. Vincent	Roads and Land Settlement Fund.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.

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1912.

COLONIAL REPORTS—ANNUAL.

No. 762.

HONG KONG.

REPORT FOR 1912.

(For Report for 1911, *see* No. 723.)

Presented to both Houses of Parliament by Command of His Majesty.
August, 1913.

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1913.

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No. 762.

HONG KONG.

(For Report for 1911, *see* No. 723.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
7th July, 1913.

SIR,

I HAVE the honour to transmit herewith six copies of the Acting Colonial Secretary's Report on the Blue Book for 1912.

I have, &c.,

F. H. MAY,
Governor, &c.

The Right Honourable
Lewis Harcourt, M.P.
&c., &c., &c.

(31221—2.) Wt. 35104—688. 1125 & 90. 8/13. D & S.

REPORT ON THE BLUE BOOK FOR 1912.

I.—FINANCES.

The revenue for the year amounted to $8,180,694, being $503,206 more than the estimate and $683,463 more than the revenue for the previous year.

Compared with the returns for 1911 there were increases under every head with the exception of Land Sales and Interest, the decrease under the latter head being accounted for by a bank overdraft during the second half of 1912.

The expenditure amounted to a total of $7,202,543, inclusive of a sum of $1,051,841 spent on Public Works Extraordinary. It was less than the estimate by $650,135, the decrease being due principally to exchange—the average rate having been 2*s*. as compared with an estimate of 1*s*. 9*d*.—by the delay in receipt of accounts due by the Post Office in respect of transit charges and mail subsidy, and by the saving of a sum of $96,140 on the vote for Public Works Extraordinary.

The detailed figures for 1911 and 1912 are set out in the following statements:—

HEADS OF REVENUE.

	$
Light Dues	87,454.95
Light Dues, Special Assessment ...	98,448.45
Licences and Internal Revenue not otherwise specified	5,371,419.75
Fees of Court or Office, Payments for specific purposes, and Reimbursements-in-Aid	785,534.51
Post Office	401,054.32
Kowloon-Canton Railway	251,971.53
Rent of Government Property, Land and Houses	873,732.50
Interest	—
Miscellaneous Receipts	147,293.49
Total	8,016,909.50
Land Sales (Premia on New Leases)	163,784.58
Total	$8,180,694.08

EXPENDITURE.

	$
Governor	77,566.72
Colonial Secretary's Department and Legislature	67,552.91
Registrar General's Department ...	45,520.75
Audit Department	26,727.35
Treasury	59,183.11
Harbour Master's Department ...	207,361.15

	$
Observatory	22,595.08
Miscellaneous Services	214,275.04
Judicial and Legal Departments ...	241,508.52
Police and Prison Departments ...	749,571.07
Medical Departments	213,602.02
Sanitary Department	324,195.86
Botanical and Forestry Department..	39,865.27
Education	243,369.39
Military Expenditure	1,421,352.47
Public Works Department	314,590.96
Do. Recurrent	447,636.44
Do. Extraordinary ...	1,051,840.43
Post Office	296,867.12
Kowloon-Canton Railway	207,350.78
Charge on account of Public Debt ...	647,172.56
Pensions	258,439.16
Charitable Services	24,399.09
Total	$7,202,543.25

The surplus on the year's working was $978,151, and the balance of assets and liabilities showed on the 31st December a sum of $2,805,129 in the Colony's favour.

The following is a statement of the revenue and expenditure of the Colony for the five years 1908-1912:—

	Revenue.	Expenditure.
	$	$
1908	6,104,207	6,573,341
1909	6,822,967	6,542,839
1910	6,960,861	6,907,113
1911	7,497,231	7,077,177
1912	8,180,694	7,202,553

The capital expenditure on the British section of the Kowloon-Canton Railway during 1912 was $1,262,922, a large portion of this sum having been used for the acquisition of a site for a terminal station. The total expenditure on this account amounted at the end of the year to a sum of $13,284,425.

The amount of the consolidated loan stands at £1,485,732, and in addition the advances by the Crown Agents for railway construction amounted at the end of the year to £199,318. Against these items there is at credit of the Sinking Fund a sum of £141,393 and there is a balance of £330,000 unpaid in respect of the loan to the late Viceroy of Wuchang.

No new taxation was imposed during the year and no change of any importance was made in existing taxation.

The rateable value of the whole Colony amounted to $12,312,306, being an increase of $1,150,916, or equal to 10·31 per cent. over the value of the previous year. In the City of Victoria alone the figures rose from $9,006,555 to $10,072,535, an increase of $1,065,980 or 11·83 per cent. The results in the other districts of the Colony were as follows:—

Increases:—

The Hill District, $10,925 or 3·91 per cent.
Shau-ki-wan, Sai-wan-ho, and Quarry Bay, $17,161 or 4·91 per cent.
Hong Kong Villages, $13,015 or 11·08 per cent.
Kowloon Point, $30,430 or 6·11 per cent.
Yau-ma-ti, $4,285 or 1·67 per cent.
Mong Kok Tsui, $20,020 or 14·94 per cent.

Decreases:—

Hung Hom and Hok Un, $6,385 or 2·11 per cent.
New Kowloon, $1,969 or 1·62 per cent.
Kowloon Villages, $2,545 or 2·59 per cent.

For the period 1903-1912 the assessment of the whole Colony has risen from $8,788,063 to $12,312,306 an increase in value of 40·10 per cent.

The circulation on the 31st December of notes of the three banks having authorised issues was as follows:—

	$
Hong Kong and Shanghai Bank ...	19,784,469
Chartered Bank of India, Australia, and China	5,329,419
Mercantile Bank of India	496,323
	$25,610,211

The currency of the Colony consists, in addition to the notes of these banks, of British, Hong Kong, and Mexican dollars and of subsidiary coin. The inconvenient size of the silver dollar, approximating to that of a five shilling piece, has led to a considerable demand among the European population for one dollar notes, and a large number of notes of this denomination, issued by the Portuguese Banco Nacional Ultramarino and payable at Macao, are in circulation. The Hong Kong & Shanghai Bank were authorised during the year under review to increase their issue of one dollar notes from $226,000 to $350,000. Silver subsidiary coin minted by the Chinese Government at Canton is in common use generally at a slightly higher rate of discount than that prevailing for Hong Kong subsidiary coin.

There are also in the Colony a certain number of notes issued by the Republican Government at Canton. These notes are payable only in subsidiary coin and as they are practically unsecured the discount upon them has reached as high a rate as thirty per centum.

The circulation of foreign copper coin is prohibited by Ordinance No. 11 of 1912, and there is now none such to be found.

The rate of discount on Hong Kong subsidiary coin varied during 1912 between the following limits:—

50	cent pieces	1	per cent.	to	4	per cent.
20	,,	3½	,,	,,	8	,,
10	,,	4½	,,	,,	8⅝	,,
5	,,	par		,,	5	,,
Copper coin		8	,,	,,	12	,,

The total issue of these coins, less those demonetized, amounts to some $37,432,370 nominal value, and they were, up to the year 1905, readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1912 twenty and ten cent pieces of the face value of $40,000 and $1,000,000 respectively were shipped to England for purposes of demonetization. The discount which has prevailed since 1905 may be attributed to the immense quantity of similar coin which has latterly been minted at Canton. In 1905 the Hong Kong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetizing all its subsidiary coin received as revenue. This policy has been continuously followed since except during a brief period of 1911. Coin to the face value of about $7,000,000 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of about $44,000,000. It is calculated that about half of that amount has dropped out of circulation.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a.*)—SHIPPING AND TRADE.

The total of the shipping entering and clearing at ports in the Colony during the year 1912 amounted to 488,649 vessels, of 36,735,149 tons, which, compared with the figures for 1911, shows a decrease of 54,546 vessels with an increase of 555,997 tons.

The decrease in numbers of vessels is entirely in local trade.

Of the above, 46,603 vessels, of 24,269,270 tons, were engaged in foreign trade, as against 44,978, of 23,063,108 tons, in 1911, and were distributed as follows:—

—	1911. Numbers.	1912. Numbers.	1911. Tonnage.	1912. Tonnage.
	Per cent.	Per cent.	Per cent.	Per cent.
British ocean-going ships ...	10·5	8·4	35·0	32·4
Foreign ocean-going ships ...	10·6	9·2	35·0	35·3
British river steamers	16·0	15·0	17·3	17·3
Foreign river steamers	3·3	3·8	3·0	3·5
Steam-launches (under 60 tons)	7·7	8·6	0·6	0·6
Trading junks	51·9	55·0	9·1	10·9
Total	100·0	100·0	100·0	100·0

The movements of fishing junks are not included in the above figures.

Of ships of European construction, 4,154 ocean steamers, 1 sailing ship, 4,351 river steamers, and 1,976 steam-launches (not exceeding 60 tons) entered during the year, giving a daily average entry of 28·7 ships, as compared with 26·9 in 1911, and 26·7 in 1910.

The average tonnage of individual ocean vessels entering the port has increased from 2,495·1 tons to 2,575·7 tons. That of British ships has increased from 2,633·5 tons to 2,713·4 tons, while that of foreign ships has increased from 2,365·7 tons to 2,457 tons.

During the past 20 years, the average tonnage of ocean vessels has increased from 1,155·9 tons to 1,969·2 tons.

The average tonnage of river steamers entered during the year has increased from 584·9 tons to 585·1 tons. That of British river steamers has increased from 599 tons to 602·5 tons, and that of foreign river steamers has decreased from 518 tons to 515·1 tons.

A comparison between the years 1911 and 1912 is given in the following table:—

Class of Vessels.	1911.		1912.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British ocean-going.	3,907	7,589,995	3,956	7,779,970	49	189,975	—	—
Foreign ocean-going.	4,180	7,917,640	4,367	8,592,320	187	674,680	—	—
British river steamers.	6,871	4,116,736	6,968	4,197,744	97	81,008	—	—
Foreign river steamers.	1,423	736,057	1,738	894,349	315	158,292	—	—
Steamships under 60 tons (foreign trade)	3,263	130,092	3,981	150,612	718	20,520	—	—
Junks (foreign trade).	25,334	2,572,588	25,593	2,654,275	259	81,687	—	—
Total (foreign trade).	44,978	23,063,108	46,603	24,269,270	1,625	1,206,162	—	—
Steam launches plying in waters of the Colony.	461,984	10,981,990	411,990	10,609,404	—	—	49,994	372,586
Junks (local trade).	*36,608	*2,134,054	†30,056	†1,856,475	—	—	6,552	277,579
Grand Total.	543,570	36,179,152	488,649	36,735,149	1,625	1,206 162	56,546	650,165
				Net	—	555,997	54,921	—

* Including 13,980 conservancy and dust boats of 818,292 tons.
† " 9,922 " " " 624,090 "

This table shows an increase in British ocean shipping of 49 ships, of 189,975 tons, or of 1·25 per cent. in numbers and of 2·49 per cent. in tonnage. This is due to improved trade, high freights, and a greater demand for tonnage. The advent of the British India Steamship Company's vessels to the Colony is also a factor.

British river steamers have increased by 97 ships, of 81,008 tons, or 1·41 per cent. in numbers and 1·97 per cent. in tonnage. This is explained by the increased number of trips made by the Steamships "*Wing On*" and "*Wing Hon*," the former having made 320 more trips than she did in 1911, and the latter 212. River steamers generally have run more frequently.

Foreign ocean vessels show an increase of 187 ships, of 674,680 tons, or 4·47 per cent. in numbers and 8·5 per cent. in tonnage. This result is due to increases in Japanese, Austrian, Chinese, Portuguese, and Russian steamers. Against this there are considerable decreases in German, Norwegian, Danish, French and Dutch steamers.

Foreign river steamers show an increase of 315 ships, of 158,292 tons, or 2·21 per cent. in numbers and 21·5 per cent. in tonnage. This is accounted for by the greater number of trips made during the year by French and Chinese steamers.

In steamships not exceeding 60 tons employed in foreign trade, an increase of 718 ships, of 20,520 tons, or 22 per cent. in numbers and 15·7 per cent. in tonnage, is shown. This appears to be due to the greater number of launches running with passengers and cargo to places in Chinese territory, more especially to the eastward. Some of the launches on this run were heretofore employed in towing lighters, &c., in the harbour, but are no longer able to obtain such employment.

In junks in foreign trade an increase is reported of 259 vessels, of 81,687 tons, or 1 per cent. in numbers and 3·2 per cent. in tonnage. This is accounted for by the increased control over these vessels, effected by the new system of licensing inaugurated early in 1912 having resulted in more accurate reports of their movements.

In local trade large reductions are reported.

Steam-launches in local trade show a decrease of 49,994 ships, of 372,586 tons, or 10·8 per cent. in numbers and 3·4 per cent. in tonnage. This is explained by the fact that almost all towing in the harbour, which formerly was done by small licensed launches, hired for the purpose by the European and Japanese firms concerned, is now done by the unlicensed private launches belonging to those firms.

Junks in local trade show a falling off of 6,552 vessels, of 277,579 tons, or 18·1 per cent. in numbers and 13 per cent. in tonnage. For this large decrease it is difficult to account, but more than half of it is certainly due to the Sanitary Department employing steam barges for a large part of the scavenging work. The remainder of the decrease is probably due to the new system of licensing not having been properly understood by the boat population for some time after its inception, with the result that full figures were not at first forthcoming.

It is interesting to note that the entries of ocean steamers during the last quarter of the year show an excess, over the average of the three previous quarters, of 122 ships of 175,332 tons. This is accounted for by the unprecedented demand for tonnage during the closing months of the year, and consequent rise in freights.

The actual number of ocean vessels of European construction entering during 1912 was 724, of which 336 were British and 388 were foreign. In 1911 there were 720: 348 British and 372 foreign.

These 724 ships measured 1,862,287 tons. They entered 4,155 times, and gave a collective tonnage of 8,186,136 tons. Thus, compared with 1911, 4 more ships, with a tonnage greater by 65,789 tons, entered 106 more times, and gave a collective tonnage greater by 430,103 tons.

Thus:—

Flag.	Steamers.		No. of Times entered.		Total Tonnage.	
	1911.	1912.	1911.	1912.	1911.	1912.
British—						
Steamers	344	335	1,952	1,977	3,781,622	3,892,354
Sailing	4	1	6	1	16,534	2,890
German	111	98	657	637	1,133,786	1,129,054
Japanese	106	123	509	592	1,354,362	1,572,194
Norwegian...	36	26	210	168	221,039	173,145
Austrian	6	10	24	46	96,380	153,624
Chinese	20	30	102	236	241,362	275,310
Danish	8	6	20	11	45,928	28,927
Dutch	16	18	130	112	235,881	246,352
French	27	26	152	142	242,469	229,532
Italian	2	4	12	13	31,188	31,403
Portuguese	4	5	79	101	32,842	49,494
Russian	11	18	20	35	53,080	103,998
Swedish	6	6	14	14	25,778	37,262
U.S.A.—						
Steamers	18	18	71	70	243,619	260,597
Sailing	1	—	1	—	163	—
Total	720	724	4,049	4,155	7,756,033	8,186,136

TRADE.

In the absence of a Customs Department, the details of the trade of the Colony which it is possible to give are meagre, and of little value, being derived from reports of ship masters, which are given in round numbers, and the several items of cargo are only too frequently returned under the heading "general." In a few cases, however, as opium and sugar, exact figures can be obtained; while in certain other items, from their nature, or for other reasons, approximately accurate returns are rendered. The following remarks are therefore confined to these few articles of trade.

Imports.—Under this heading, which includes all cargo brought by ocean vessels or river steamers (not in junks or steam-launches) and landed or transhipped in the Colony, 4,151,805 tons of cargo were reported during the year. This, compared with that reported during 1911 (3,995,793 tons), shows an increase of 156,012 tons, or 3·9 per cent.

Of this total, there appear increases in the import of coal, cotton, flour, sugar, and timber, while decreases are reported in kerosene oil, opium, and rice.

Coal.—An increase of 10,212 tons or 1 per cent. is reported, 1,056,502 tons having been imported during the year. It is probably due to transhipments of coal to Canton, where there is an increasing demand for it.

Of the above total quantity, 73 per cent. was Japanese, Hongay and Fushun coming next with about 8 per cent. each, other descriptions of coal being imported in but small quantities. None arrived from either Australia or Labuan, and but one cargo from England, except that imported by the Admiralty from Cardiff.

Cotton, including cotton yarn and cotton piece goods, show an increase of 20,552 tons or 51·4 per cent., which seems to be a genuine increase, and not due solely to a larger proportion of the imports being reported as cotton instead of general cargo. The reason for this phenomenal increase is not far to seek. The trade in China, after a total cessation during the last three months of 1911 and the first three months of 1912, on account of the Revolution in that country, recommenced, and gradually assumed large proportions. These soon still further increased, partly owing to the assumption, by a large percentage of the population of European dress, which opened up a new trade (now rapidly declining), and partly to the disappearance of the old stocks in the hands of the native merchants, and the necessity for their replenishment. The high rate of exchange was also a factor in increasing the trade, although the unprecedented demand caused enhanced prices in spite of it. It is of interest to note that this large increase in imports does not include the large and increasing quantity of native-grown cotton spun in the Colony, and re-exported as yarn.

Flour.—Here an increase of 16,620 tons, or 20 per cent., was reported. This is explained by the prices being moderate on account of the high rate of exchange. The wheat crop in North China, also, has been poor for the past two seasons, thereby creating a demand for foreign flour, while the Chinese are quickly learning new uses for this commodity, which in many parts is taking the place of rice. Among these is a very fine description of vermicelli, now manufactured at Amoy and Chefoo, which is in great demand, and 20 per cent. of the flour imported at Amoy (through Hong Kong) is used for this purpose; considerable quantities are consumed at Amoy and Chefoo and large shipments are made to Hong Kong, Canton, the Philippine Islands, Singapore, and other ports out of China. This increased use of flour is evident in the Colony, being noticeable even among the boat population of the harbour, where it is a common thing to see cakes and "flapjacks" being cooked and eaten, instead of the formerly universal rice.

Kerosene Oil.—Very large reductions are reported in both bulk and case oil imported during the year—of 42 per cent. in the former and 32 per cent. in the latter. Several causes militated to this end. The large stocks in hand at the commencement of the Revolution in China; the virtual total cessation of trade until well on in the year 1912; and the high freight rates, which have increased by more than 100 per cent. in twelve months.

The trade is now restored to its usual proportions, if not still increasing. Out of 105,425 tons imported during 1912, 15,859 tons, or 15 per cent., arrived during the month of December, which seems to point to an increased demand in view of the high freight rates now prevailing.

Liquid Fuel shows an increase of 2,724 tons imported, or 15·4 per cent. This is due to the greater number of vessels now using this form of fuel instead of coal.

Opium.—The imports of raw opium show a decrease of 8,925 chests or 42 per cent. and the exports a decrease of 6,796¾ chests or 34 per cent. This decrease is the natural outcome of the Opium Agreement of May, 1911, but has been intensified by the uncertainties and variations of provincial policies in China with regard to opium generally and by the absolute exclusion of Persian opium from the China market. The figures for the last five years are shown in the following table:—

	1912.	1911.	1910.	1909.	1908.
	Chests.	Chests.	Chests.	Chests.	Chests.
Stock in hand, 1st January ...	7,587	7,123	4,509	5,808	4,707
Imported during the year ...	12,361¼	21,286	31,743	35,734	41,821
Total	19,948¼	28,409	36,252	41,542	46,528
Boiled by opium farmer ...	1,113	761	782	1,044	864
Spurious opium destroyed ...	2	—	14	51	247
Exported during the year ...	13,264¼	20,061	28,333	35,938	39,609
Total	14,379¼	20,822	29,129	37,033	40,720
Stock remaining 31st December	5,560	7,587	7,123	4,509	5,808

The legitimate importation of morphia and cocaine has ceased except for such quantities as are required for medicinal purposes in the Colony. The trade in compounds of opium is now confined to exportation to Java for the use of the Dutch Government monopoly.

Rice.—Here is reported a decrease of 21,072 tons, or 3·6 per cent. The rice crops in the two Kwang Provinces have been good, thus the demand for foreign rice has not been so great as usual, The Siamese, Annamese and Cochin China crops were very poor and prices high. Siamese rice used to sell here at $4·50 per picul. This year as much as $7·00 has been asked, and paid. The increased and increasing use of flour among the native population, noticed in the remarks under that heading, no doubt affects the rice market to a certain extent. The import of Japanese rice has apparently entirely ceased.

Timber.—An increase of 13,169 tons or 22 per cent. is here reported. Although it is unlikely that this is all a genuine increase, it is certain that the timber trade has received a considerable impetus recently, by reason of the increased demand for foreign woods for the building and furniture trades in Canton and the interior. The principal descriptions of timber imported are teak and ebony from Siam, and hardwoods, such as billion and yacal, from Borneo. The demand for European styles of furniture among the Chinese is responsible for large increases in the import of teak. Ebony is used for the manufacture of the Canton "blackwood" now so popular among foreigners. Billion, a very hard, heavy wood, white ant proof, is being increasingly used for beams, rafters and joists, in the building trade. Billion is also used almost exclusively for the manufacture of those universal necessities of life in China—chopsticks. Yacal has become very popular for boat and ship building, being easily worked, free from knots, very durable, and can be obtained to almost any size. It is used for the frames of the better class of boats, steam-launches, &c., built in the Colony, while the sheathing and planking is generally made of teak. Native boats and junks are usually built of native wood—China pine—the import of which is not included in these figures.

Emigration and Immigration.

122,657 emigrants left Hong Kong for various places during the year 1912 (135,565 in 1911). Of these 88,749 were carried in British ships and 33,908 in foreign ships. These figures show a decrease of 12,908 (or 9·5 per cent.) under 1911, due undoubtedly to the fact that most of the poorest classes, instead of emigrating to foreign countries, joined the revolutionaries in China during the year.

Statement of Number of Emigrants to Straits Settlements 1908 *to* 1912 *compared with Total Chinese Emigration* 1908 *to* 1912.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1908	49,639	71,081
1909	48,016	77,430
1910	76,705	111,058
1911	100,906	135,565
1912	84,024	122,657

163,248 returning emigrants are reported to have been brought to Hong Kong from the several places to which they had emigrated, either from this Colony or from coast ports, as against 149,894 in 1911. Of these 125,499 arrived in British ships, and 37,749 in foreign ships.

(*b*.)—INDUSTRIES.

(i.)—*Under European Management.*

Engineering and Shipbuilding.—This industry has improved during the year under review.

1912.

—	Vessels.	Gross Tons.	I.H.P.
Taikoo Dockyard and Engineering Co., Ld.	8	2,121	1,065
Hong Kong and Whampoa Dock Co., Ld.	6	922	1,275
W. S. Bailey & Co.	15	491	486
Macdonald & Co.	3	197	218
Ulderup and Schluter	6	87	120
Tung Hing Lung	2	50	180
Kwong Fook Cheong	3	665	585
Kwong Hip Loong	1	27	76
Kwong Tak Cheong	3	548	846
Kwong Tak Hing	1	91	110
Kwong Hip Lung Co., Ld.	6	250	575
Cheung Kee	1	34	79
Kwong Sze Sang	5	206	1,301
Kwong Lee	1	76	102
Total	61	5,765	7,018

1911.

—	Vessels.	Gross Tons.	I.H.P.
Taikoo Dockyard and Engineering Co., Ld.	9	2,281	3,650
Hong Kong and Whampoa Dock Co, Ld.	13	552	703
W. S. Bailey & Co.	8	206	413
Macdonald & Co.	5	50	173
Ulderup and Schluter	30	408	860
Tung Hing Lung	1	55	250
Kwong Tak Hing	1	210	192
W. C. Jack & Co.	2	45	48
Kwong Hip Lung & Co., Ld.	3	76	76
Total	73	3,863	6,609

Sugar Refineries.—The year 1912 has on the whole been an unfavourable one for the local refined sugar industry. China has not yet recovered from the effects of the Revolution, and until confidence is fully restored merchants are apparently content to adopt a hand-to-mouth buying policy. Apart from this the European beet crop has been a record one, latest estimates promising an excess of about 2½ million tons over that of 1911; and, with beet and cane combined, a surplus in the world's production of about 1¼ million tons over that of any previous season. The result has been a very considerable decline in the world's prices, with a consequent unsettling reaction in Far Eastern markets.

Cotton Spinning.—Since the termination of the Revolution in China there has been considerable improvement in the yarn trade, and the year closed with the industry in a healthy condition in China. The local mill has worked full time throughout the year and has benefited by the better conditions.

Rope Manufacturing.—The most distinguishing feature of the year has been the extraordinary rise in the price of hemp in the Philippines, ranging from 60 per cent. to 80 per cent. from the beginning to the end of the year. The full effect of this upon the rope industry has yet to be shown, and if the price is maintained it is feared that consumption of the finished article is likely to be curtailed in favour of rope made from an inferior fibre or from steel.

Cement.—There has been an increased demand in the Far East throughout the year. An embargo was placed in July on the export of limestone from the Kwang Tung Province by the authorities at Canton which seriously interfered with the output of the local Green Island Cement Company, and forced the Company to have recourse to Haiphong for supplies, and at the end of the year the matter remained still unsettled. Owing to the coal strikes and labour troubles in England and Europe, and higher outward freights, supplies from home have been much restricted, and prices in some markets became enhanced, but every year the numerous factories in this part of the world are increasing the consumer's independence of Europe.

(ii.)—*Under Chinese Management.*

Rattan and Fibre Furnitures.—Business was not so good, owing to the damp season, which injuriously affected the hemp string (linen fibre) and sea grass. The export, retail, and manufacturing businesses all showed a slight falling off.

Native Tobacco.—It is to be feared this is a dying industry. The native product is being ousted by foreign tobacco and cigarettes, and owing to the failure of the 1912 crops in the interior, caused by the troubles consequent on the Revolution, the price of tobacco leaf rose to abnormally high figures, and many of the tobacco factories were conducted at a loss.

Tinned Goods.—The three local factories report a very good year, but the total volume of exports fell off owing to the adverse effect of the Revolution and subsequent troubles in Kwang Tung on the output of the Canton factories which send their manufactures to their Hong Kong branches for export.

Samshu.—The local manufacturers of native spirits report having had another good year. The total local output (including the New Territories) of all kinds of native spirits was 1,154,360 gallons as compared with something less than 1,100,000 gallons in 1911.

Vinegar.—All the large native distilleries produce vinegar as well as samshu. The year's output of the seven largest firms amounted to 834,000 gallons, a slight falling off on the figures for 1911.

Knitted Vests and Socks.—Another factory was completed in the course of the year, and there are now six establishments, all doing a considerable business, to meet the large and increasing local demand for these articles.

Leather and Hides.—The leather manufactured at the local tanneries is of such inferior quality that it is gradually being driven out of the market by the competition of imported products; it cannot compete with leather tanned in the Straits.

The export of raw hides to Penang, where they are tanned and re-exported to Hong Kong in the form of very fair quality leather, increased largely, owing to the extraordinary demand throughout China for foreign style women's boots and shoes and for military equipment.

Ginger and Preserves.—Very small profits were made by the ginger manufacturers during the year, owing to the rise in the price of raw ginger by $2 a picul. Two shops failed and had to close during the year.

Soy.—This trade still remains dull; exports to Singapore and the south have again fallen off.

Paper.—The trade has not been quite so good, a large stock remaining unsold at the end of the year.

Vermilion.—The output has remained about the same, but the demand has still further slackened, and prices dropped by $10 to $15 a picul.

Lard.—A considerable amount of lard is manufactured in the Colony for export, chiefly to the Philippines, where regulations requiring the purity of animal products to be certified are in force. Most of the local manufacturers have no difficulty in complying with these regulations, and during 1912 no less than 1,119,342 lbs. of lard and 81,342 lbs. of dried meats were exported under these certificates.

(*c.*)—FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Since the middle of 1911 a steam trawler has been engaged in fishing over various grounds, and has contributed its hauls to the local markets. This trawler ceased its operations in January, 1912, and went north to Shanghai. It was found that she was unable to make it pay, as the water was too shallow for her nets, and attempts to fish on the usual fishing grounds resulted in the noise and vibration of her engines scaring away the fish. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—FORESTRY, AGRICULTURE AND BOTANY.

The areas, about 200 acres, cleared of pine trees during 1911 on the west side of the island near Aberdeen, were sown with pine tree seeds in pits.

Pine seedlings were raised in a nursery at the south face of the Shatin Tunnel in the New Territories, and 65,000 pits were dug on the adjoining hill to be filled later with the pine seedlings standing in the nursery.

Approximately 175,000 pits were sown with seeds of native plants on the low hills near the Shatin Tunnel; the varieties of trees used were Rhodomyrtus, Melastoma, Psidium, Rhus, Mallotus and Lucæna.

In connection with the scheme for beautifying the island, 200 Azaleas were planted on the spur of a hill between Wongneichong Gap and Deep Water Bay.

Beds of Hydrangeas and flowering trees were planted by the roadsides on the upper levels.

The planting of flowering trees and shrubs on Crown land adjoining the Peak tramline, which was begun a few years ago, was continued. Particular attention was given to the area between the Kennedy Road Station and the Lower Terminus.

The avenues of shade and flowering trees in Hong Kong and Kowloon have been maintained, dead trees were replaced, and 1,051 new young trees and shrubs planted near roads and banks in different parts of the Colony.

The trees in plantations above and below Taipo Road were thinned, and upwards of 2,000 trees removed from the sides of the road to make room for the camphor trees, which are used for shade purposes.

In connection with the anti-malarial measures, an area of 3,208,479 square feet was cleared near dwelling houses, police stations, and public buildings in various parts of the Colony. In addition to this, an area of 1,025,600 square feet was cleared for the military authorities at their expense.

For the purpose of making surveys, an area of 1,962,010 square feet was cleared for the Public Works Department.

The first and second rice crops were fair. Lichees were cheap and plentiful.

Reports were received from the Director of the Imperial Institute upon samples of vegetable products forwarded to him from Hong Kong during the year 1911. The most important of these were afterwards submitted to the Hong Kong Chamber of Commerce for perusal. A supply of camphor oil, which had been favourably reported upon, was sent to the Imperial Institute for distribution among various firms.

The *Key to the Flora of Hong Kong, the New Territories and Kwang Tung Province* has been published by the Director of the Royal Gardens, Kew, as an additional series of the Kew Bulletin.

(*e.*)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount received from sales of Crown land and pier rights after deducting expenses of sales was $163,784, being a decrease of $106,221 on the previous year and $42,485 more than the average received for the past five years. Of this amount $8,145 was in respect of sales of land in the New Territories and the remainder from sales of new lots of Crown land and grants of extensions to existing lots and sales of pier rights in the island of Hong Kong and Old Kowloon. The chief item was the sale of Inland Lot 1918, a building site of 59,700 square feet at Morrison Hill, within the City, which realized $47,500.

In addition to the above, the Hong Kong & Kowloon Wharf & Godown Company, Ltd., were granted Kowloon Marine Lot No. 91 (the former Police Camber), containing an area of 84,246 square feet, at the price of $288,778, the Government accepting in exchange a surrender from the Company of a part of their property to that value in lieu of cash. The Government resumed 10 acres 0 rood 10¾ poles of land at Kowloon from the Hong Kong & Kowloon Wharf & Godown Company, Ltd., and the Hong Kong Land Reclamation Company, Ltd., for the purpose of the terminal railway station. The total compensation paid in cash and land by way of exchange amounted to $1,762,657.40.

The year was chiefly noted for the sale of a considerable number of building lots adjacent to the City, chiefly in the neighbourhood of Kennedy Road, on which blocks of European style residences are being erected by the purchasers.

There has again been a considerable increase both in number and value of private properties which have changed hands. The total purchase moneys paid amounted to $19,029,986 as against $15,343,234 for the previous year. The prices given in many instances appear to be much above the value of the property as an investment, whilst in other cases the value of property adjoining has remained more or less stationary. Many old buildings have been pulled down and have been rebuilt with modern terraces and dwelling houses for the accommodation of the better class

Chinese. The rate of interest charged on good mortgage securities is now usually $7 per cent. per annum whereas three years ago it was rarely less than $8 per cent.

The granite quarries, of which there are a large number on the coasts both of the island and in New Kowloon, were wholly or partially closed down for a greater part of the year, owing partly to the fact that the export of stone to China had practically stopped since the Revolution and also to contracts in Hong Kong requiring a large amount of stone having been completed. Reductions of one-third of the annual rents were in many cases granted to the lessees and the leases of only two of the quarries which expired on 31st December were re-let.

Sales of land in the New Territories continue even, consisting chiefly of small building sites for native occupation and patches of undeveloped agricultural land. There is a tendency amongst a few Chinese to buy up land in the neighbourhood of the railway and roads with a view to future development.

The Government have leased 88 acres of waste land at Fanling to the Royal Hong Kong Golf Club, who have laid out an 18 hole course, a large club house has been built and a bungalow has been erected in the neighbourhood of the links by a private individual. Three private families have erected or rented bungalows at Tai Po and further enquiries are being made for building sites there.

III.—LEGISLATION.

Forty-three Ordinances were passed during 1912, of which 18 were amendments to other Ordinances and 11 were connected with the Revision of the Ordinances of Hong Kong.

The most important Ordinances were Chinese Marriage Preservation (No. 42), Foreign Copper Coin (No. 11), Full Court (No. 27) and Limited Partnerships (No. 18).

IV.—EDUCATION.

There are 63 Government and grant schools, the most important of which is Queen's College. Of these 20 are Upper Grade Schools with a staff competent to give instruction in all subjects of the 7th standard and above. These latter schools have an average attendance of 4,054, and the medium of instruction in all of them, with the exception of four girls' schools, is English. The 43 remaining schools are all lower grade. They comprise one school for British Indians, where English and Urdu are taught, four Government schools and 38 grant vernacular schools. The average attendance at all these lower grade schools is 1,984. The total average attendance at both grades of schools is 6,038.

The revenue derived from school fees was $66,172.50 (of which $32,720 was from Queen's College).

Two schools are limited to children of British parentage. Both these schools (one for boys, the other for girls) are under the Government. In 1912 the combined average attendance at them was 99.

The Hong Kong Technical Institute affords an opportunity for higher education to students who have left school. Instruction was given in 1912 in mathematics, machine drawing and building construction; in chemistry, physics and electricity; in commercial English, logic and political economy; in French and German, shorthand and book-keeping. Classes in sanitation (public hygiene) and first aid to the injured are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London, and of the St. John's Ambulance Association, respectively. Classes for men and women teachers are a feature of the Institute.

The lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well-equipped chemical laboratory and excellent physical apparatus.

While the Technical Institute has suffered in several directions from the activity of the University, it continues to perform many useful functions of its own. The normal classes for men and women, the shorthand, mathematics and English classes were all well attended, as also "first aid" class.

The University of Hong Kong was opened for teaching in September, 1912. Chancellor, His Excellency Sir Francis Henry May, K.C.M.G., vice-Chancellor and Principal, Sir Charles Eliot, K.C.M.G., C.B., D.C.L., M.A., LL.D., Dean of the Faculty of Engineering, Professor C. A. M. Smith, M.Sc., M.I.M.E., Dean of the Faculty of Medicine, Dr. Francis William Clark, M.D., Registrar, Mr. W. J. Hinton, B.A.

Faculties of Engineering and Medicine are fully established, and a beginning has been made in the Faculty of Arts. In the Engineering Department courses are being given in Civil, Electrical and Mechanical Engineering, leading up to the degree of B.Sc. (Eng.). The Medical Faculty prepares students for the degrees of M.B. and B.S. The Arts Faculty gives the degree of B.A., which, like all the other degrees of the University, is modelled on the London Pass Degree.

Five years of residence are required before the M.B. or B.S. can be granted, and four for the B.Sc. (Eng.) and B.A. There are three terms in the Session, which begins on September 15th and ends about May 31st. The fees are $300 for tuition, and $240 for board and residence, with a deposit of $25 caution money. All fees are payable in terminal instalments.

The University has shown abundant proof of vitality At the end of the year the number of students was 72, 31 of whom were taking Engineering and 21 Medicine. There is a Provisional Arts Course, which gives courses in Physics, Chemistry, Mathematics, Chinese, English, History and Economics. While most of the students have studied in Hong Kong schools a number come from Canton, the coast ports of China, and the Straits Settlements.

V.—PUBLIC WORKS.

Of the important works in progress, the Law Courts were completed and formally opened by His Excellency the Governor on the 15th January. The building contains three courts, the Court Library, the Judges' Chambers, the Attorney-General's and Crown Solicitor's Offices, the Land Registry Office and the Court Registry Office, besides the necessary cells, lavatories, robing rooms, witnesses' rooms, etc. The Mongkoktsui Breakwater was constructed throughout to a height of nine feet below low water level, whilst in five places it was partly constructed to a height of 12 feet above that level. The reconstruction of the old Western Market had reached roof level and the erection of the ironwork for the roof was well advanced. A contract for the construction of a large masonry dam to impound 1,500 million gallons of water, forming the second section of the Tytam Tuk scheme, was let in October and the necessary preliminary arrangements for the housing of workmen, etc., were well advanced at the close of the year.

The following buildings were completed:—Additional storey and extensions, Yaumati English School; market and slaughter-house, Aberdeen; stables, Yaumati Disinfecting Station; quarters for searchers, Imports and Exports Office; lighthouse and quarters, Kap Sing Island; an extension of the Maternity Hospital; a lean-to shed in Staunton Street for a vegetable market, and the reconstruction of coolie quarters at the City Slaughter-houses to admit of the provision of further accommodation for slaughtering pigs. The following buildings were in course of erection:—Sanitary Offices in Wantsai and Saiyingpun Districts; new Operating Theatre, etc., at the Civil Hospital; a new Public Works Storeyard; an extension of the City Slaughter-houses and quarters near same for an additional Inspector; a vegetable and fruit market at Yaumati; an extension of the Belilios Public School; and an underground trough closet at the west end of Wellington Street.

A path from Boundary Path to Kennedy Road and another from Chamberlain Road to Plaintation Road were completed. Bonham Road was diverted along the northern side of the area formerly occupied by No. 2 Tank, and a further diversion of this road to admit of an extension of Inland Lot 754 was carried out. The diversion referred to resulted in an improvement of the alignment of the road. A considerable improvement, both in gradient and alignment, was effected in Pokfulam Road at No. 1 Bridge. A diversion and improvement of Wongneichong Road to the north of the village bearing the same name was in progress. A path from Pinewood Battery to Pokfulam Road was constructed. In Kowloon, a new road south of Kowloon Inland Lot 571 was formed and the old embankment extending from Tai Po Road to Tong Mi Village was widened and otherwise improved to render it available for rickshaw traffic. In the New Territories, the remaining section of the Castle Peak-Sha Tau Kok Road, extending from Au Tau to San Tin, was begun as was also a branch road from Au Tau to Kam Tin.

The training of the stream at No. 12 Bridge, Shaukiwan, was continued, practically the entire length from No. 12 Bridge to the Tytam Tuk Road being completed, and a branch stream extending to the same road was also trained. The channelling of Pokfulam Stream was extended to the overflow channel from the Reservoir. Some streams to the westward of the University were trained for considerable distances and various portions of streams in the neighbourhood of May Road and between the Military Hospital and the Bowen Road Filter Beds were also trained. The training of sundry other streams in the Wanchai District and to the westward of Mount Austin Barracks was also undertaken and an important extension of the Wongneichong Nullah in the vicinity of the village bearing the same name was in progress. Provision was made for the discharge of storm water from the site of the University by laying drains in Bonham and Hill Roads. In Kowloon, a further extension of the nullah in Waterloo Road to the north of No. 4 Railway Bridge was nearly completed and a new storm water drain was laid in Mody Road to intercept the storm water which formerly flowed across Kowloon Inland Lot 575. The sewer in Craigmin Road to intercept the drainage from houses on the southern slopes of Mount Gough, etc., was completed and practically all the houses were connected with it. Various extensions of sewers in connection with new building lots were carried out and further extensive drainage works were executed at Shamshuipo on account of reclamation works in progress there. Extensive surface channels were constructed in Kowloon City to assist in improving the sanitary condition of the village. Iron pipes were substituted for earthenware ones in the case of three lengths of sewer in Matheson Street, Leighton Hill Road and in Wongneichong Valley.

The reconstruction and raising of Tai Hang Village was completed; considerable progress was made with the Ap Liu Village Improvement Scheme and the reclamation of the area in front of Kowloon Marine Lots 29 to 31, at Yaumati, was continued. Considerable reclamations at Shamshuipo and to the south of Kowloon Marine Lot 32, at Taikoktsui, were also in progress. The Government plots on the east side of Royal Square, corresponding to those on the west side belonging to the Hong Kong and Shanghai Bank, were fenced in.

The work of providing scavenging lanes was continued, compensation being paid where necessary. The demolition of the riding floors over the entrance to Amoy Lane was carried out, the owner being compensated by Government.

The waters of a stream in the south-western corner of the Sywan Valley were intercepted and led into Shaukiwan in iron pipes for the supply of this important village, and the construction of a service reservoir and filter beds was in progress. A new main was laid at Aberdeen for the supply of water boats. The conduit for conveying Tytam water into the City was enlarged over a considerable length in order to increase its discharging capacity. A main of larger diameter was substituted for the one previously supplying Mount Kellett District.

A large block of land at Kowloon Point was resumed at a cost of $1,473,880 for a site for the terminal passenger station of the Canton-Kowloon Railway.

The total amount expended on Public Works Extraordinary was $1,051,840 and on works annually recurrent $447,636.

No typhoon passed in such proximity to Hong Kong as to cause any damage.

Railway.

At the end of 1911 little construction work remained to be done, with the exception of building the terminal station at Kowloon. The site for this has been under discussion during the year and it was finally decided to purchase Kowloon Marine Lots Nos. 3, 9, 74 and 75. It was also necessary to acquire a portion of the land in the occupation of Messrs. Holt and Company to gain access to the proposed new station and this has been arranged by exchange of an equal portion from railway property. Mr. A. B. Hubback, F.R.I.B.A., Government Architect for the Federated Malay States, was, by the courtesy of the High Commissioner, appointed architect, and submitted plans, before the end of the year, which were approved. Work was commenced by raising the Praya Wall at Kowloon Point to such a level as to ensure the safety of the yard against flooding during typhoons. The demolition of the warehouses and other buildings on the site was completed, the head offices of the railway being transferred to a temporary building, which on the completion of the new station will be converted into quarters for the staff. A considerable amount of preliminary work has also been done in the laying out of temporary sidings, the collection of building materials and the transportation of these to the site.

The branch line from Fanling to Sha Tau Kok was completed and opened to traffic on April 1st. Two sidings were laid, one at 1½ and one at 4 miles, and a passing loop at Wo Hang Station.

The year's expenditure chargeable to Construction Account was $1,242,132, Main Line and $20,791, Fanling Branch, making a total of $1,262,923, and shows a saving on the grant of $520,170, which was largely due to a profit on exchange.

The working expenses compared with gross receipts show a marked decrease on the previous year. Expenditure amounted to $207,351, or $6,378 more than was estimated.

The revenue derived from local traffic was $116,824, Through and Joint Sectional $118,572, and Fanling Branch $6,252, the excess of income over expenditure being $34,298.

Passengers booked by British Section to Stations in China	122,390
Passengers booked by Chinese Section to Stations on the British Section	134,583
Passengers travelling on the British Section, Main Line	300,337
Passengers travelling on the British Section (Fanling Branch)	42,940

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*.)—HOSPITALS.

Government hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an observation station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the harbour.

The Civil Hospital contains 150 beds in 19 wards. 2,731 in-patients and 15,177 out-patients were treated during 1912 as against 2,370 and 15,489, respectively, in 1911. 198 cases of malarial fever were admitted, as against 112 in 1911 and 340 in 1910. The Maternity Hospital contains 12 beds for Europeans and 4 for Asiatics. 140 confinements occurred during the year as against 138 in 1911. The Victoria Hospital at the Peak contains 41 beds, and during 1912 234 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 42 cases were treated in 1912, 35 being smallpox.

(*b*.)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 243 patients of all races were treated during 1912 and there were 26 deaths.

(*c*.)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst a Chinese house surgeon, trained in Western medicine, is a member of the hospital staff. There are 323 beds in the buildings and 4,279 patients were accommodated during 1912.

The Tung Wa also maintain a branch hospital for smallpox cases (Chinese only) at Kennedy Town. It contains 58 beds, and during 1912 150 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society, and consist of the Alice Memorial

Hospital, opened in 1887, the Nethersole Hospital, opened in 1893, the Alice Memorial Maternity Hospital, opened in 1904, and the Ho Miu Ling Hospital, opened in 1906. The number of in-patients in 1912 was 1,600 and the expenditure $14,597. The number of labours in the Maternity Hospital was 351. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of 3 acres, and as designed will ultimately provide accommodation for 210 patients. The existing buildings contain 70 beds and 1,271 patients were accommodated during 1912. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Registrar-General, but when completed the hospital will form part of the Tung Wa Hospital and be under the same management. The hospital receives a grant of $8,500 per annum from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported, by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Registrar-General and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Registrar-General under that Ordinance are sent to the Pó Leung Kuk. During 1912 the number of persons admitted was 581 and at the close of the year 64 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It is now housed in the Belilios Reformatory and receives a small grant from the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent ($1,280), the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence, including one for the boat population on a hulk in Causeway Bay. The total cost of maintenance, which is defrayed by voluntary subscription, was $40,085. The dispensaries are conducted by committees under the chairmanship of the Registrar-General.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 12,660, being an increase of 3,371 or 36·29 per cent. as compared with 1911. There was in 1912 an increase in serious offences of 692 or 19·31 per cent. as compared with the previous year. The number of serious offences reported was 665 over the average of the quinquennial period commencing with the year 1908. The number of minor offences reported shows an increase of 2,679 as compared with 1911 and was 1,772 over the average of the quinquennial period.

The total strength of the Police Force in 1912 was—Europeans 164, Indians 462, Chinese 547, making a total of 1,173 (as compared with 1,080 in 1911) exclusive in each case of the five superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government departments and by private firms. Of this force 14 Europeans, 101 Indians and 39 Chinese were stationed in the New Territories during the year, under the District Officer.

The District Watchmen Force, numbering 124, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 6,236 as compared with 4,178 in 1911. Of these, 1,867 were committed for criminal offences, against 1,191 in 1911. Of committals for non-criminal offences there were 286 less under the prepared Opium Ordinance, and 16 less for infringement of Sanitary By-laws, than in 1911 .

The daily average of prisoners confined in the gaol was 701, the average for 1911 being 595, and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·14, which is the average percentage for the last ten years. Owing, however, to the large floating population which is constantly moving between the Colony and Canton the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The gaol has accommodation for 590 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·40 as compared with 1·61 in 1911 and 1·33 in 1910.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, bookbinding, washing, mat-making, tailoring, oakum-picking etc. The profit on the work done was $60,976 as against $51,833 in 1911. There was $4,636 received and credited to Government for non-Government work against $4,627 in 1911.

IX.—VITAL STATISTICS.

(*a.*)—POPULATION.

The civil population of the Colony, according to the Census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the Census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 467,777, but this includes the New Territories; and, as the death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating death-rates is estimated at 377,183, of whom 21,163 were non-Chinese.

The distribution of population at the Census was as follows:—

Non-Chinese Civil Community	... ...		12,075
Chinese Population.	City of Victoria (including Peak)	219,386	
	Villages of Hong Kong ...	16,106	
	Kowloon (including New Kowloon)	67,602	
	New Territories	80,622	
	Population afloat	60,948	
Total Chinese Population	... .	——	444,664
Total Civil Population	... ...		456,739

(*b*.)—PUBLIC HEALTH AND SANITATION.

There has been great activity in regard to building operations during the past year, to meet the urgent demands for house-room created by the immigration of some forty to fifty thousand Chinese who poured into Hong Kong during 1911. These people were of all classes, and came principally from the neighbouring provinces of Kwangtung, Kwangsi and Fokien, seeking refuge from the political unrest which ultimately led to the overthrow of the dynasty and the establishment of a Republican Government in China.

Pending the erection of sufficient dwellings for the accommodation of so large an increase in our normal population, the existing dwellings became greatly overcrowded, but any very strict enforcement of the overcrowding laws was deemed impossible, while the penalty which had to be paid for this abnormal state of affairs—amounting practically to the conversion of Hong Kong into a huge refugee camp—was a severe outbreak of plague, no less than 1,847 cases being recorded. These cases were generally distributed throughout the City, except in the European business quarter (where only a few cases occurred), and throughout Kowloon, and the most probable determining cause of the epidemic was a considerable augmentation of the rat population consequent on the general overcrowding of the native dwellings. The overcrowding naturally led to a marked increase in the amount of waste food, both in the houses and in the yards and lanes adjacent thereto, and although efforts were made to deal with this excess by improved scavenging, yet it is obvious that where houses are overcrowded with human beings and their belongings, the cleanliness of the premises must fall below the average and refuse of all sorts will lie concealed among the lumber.

The rat population depends almost entirely upon the available food supply, and this large increase in the amount of food refuse would promptly lead to a corresponding increase in the number of susceptible rats by more frequent breeding and larger litters. Plague is endemic among the rats of Hong Kong and the infection is known to be carried forward from season to season by the *Mus decumanus* or drain rat, among which species plague-infected animals are found throughout the year. During the human plague season—February to July—the infection spreads to the house rat (*Mus rattus*) and although cases of human plague do certainly occur when only infected drain rats are being discovered, the infection being acquired in warehouses, basements, workshops, and outhouses generally, into which these rats are driven by the rain storms flooding their underground haunts, yet the maximum incidence of human infection corresponds exactly with the maximum incidence of the *rattus* infection, and the main efforts of the Sanitary Department are therefore directed to the exclusion of rats from human dwellings, and the limitation of the food supply of the rat population. The latter is secured by a daily collection of garbage from all dwellings, and by the efficient scavenging of lanes and alleys, while the former object is aimed at by the concreting of ground surfaces, the protecting of drain openings by gratings, and the prohibition of ceilings, wainscotings and hollow walls. There is unfortunately, however, a very large number of old houses in the Colony which possess these hollow walls, constructed of soft bricks, which form ideal nesting places for the *Mus rattus* and enable him to enter the dwellings at night to forage for food, and it is in those districts in which such buildings are most numerous that plague has displayed its greatest incidence since the infection was first imported into the Colony in 1894. There is no remedy for such faulty construction, short of actual demolition of the premises, which is too heroic a measure to be practicable on any extended scale.

The general birth-rate for the year was 9·0 per 1,000 among the Chinese community and 16·2 per 1,000 among the non-Chinese community, as compared with 6·3 and 19·2 during 1911.

The general death-rate for the year was 26·33 per 1,000 among the Chinese community, and 14·51 among the non-Chinese community, as compared with 21·13 and 13·38 during 1911.

The higher death-rate among the Chinese as compared with the previous year is due in part to the severe outbreak of plague and in part to the influx of Chinese from the mainland, while the latter cause contributed also to the higher birth-rate.

The number of deaths from malaria (432) shows an increase on the previous year (338), which can be accounted for by the exceptional influx of infected persons from the mainland. The deaths of Chinese from this cause in the City of Victoria numbered 214 out of a population of 225,500; but more than 34 per cent. of these deaths occurred in Health Districts Nos. 2 and 9, where most of the coolies reside who have been engaged on the extensive building operations that have been in progress during the year.

The deaths from plague numbered 1,768, as compared with 253 in 1911 and 23 in 1910. The probable causes of this epidemic have already been discussed herein.

Small-pox deaths numbered 565—all Chinese, with the exception of two British children and one Indian child, all of which were returned as showing no signs of vaccination; only two of the fatal Chinese cases were returned as having been previously vaccinated.

There were 2,317 deaths from respiratory diseases among the Chinese, as compared with 2,487 in 1911. Phthisis claimed 757 Chinese victims, while other forms of tuberculosis represent an additional 379 deaths, making a total of 1,136 or 12.1 per cent. of the total deaths among that community.

Beriberi was responsible for 231 deaths, as compared with 320 during 1911, and 566 in 1910. During the past few years circulars have been distributed to all large employers of coolie labour, calling their attention to the fact that beriberi is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice when fresh meat or fresh fish cannot be afforded, and it is possible that the dissemination of this information may have had some influence in reducing the mortality from this disease.

A tabular statement of the principal causes of death is appended.*

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* *See* page 32.

(c.)—CLIMATE.

The mean shade temperature for the year at the Royal Observatory, Kowloon (108 feet above mean sea level), was 71·9°, as compared with 72·1° in 1911, and 72·1° for the ten preceding years. The maximum temperature was 92·5°, on the 10th September, and the minimum 45·3°, on the 28th December. The hottest month was July, with a mean temperature of 83·0°, and the coldest January, with a mean temperature of 57·3°.

The temperature at the high levels of the Peak District is from 3° to 8° less than at the Observatory. At Victoria it is practically the same. The rainfall and humidity are considerably greater at the Peak than at Victoria, the Observatory, or Tai Po (New Territories).

The total rainfall for the year was 63·93 inches, as compared with an average of 84·21 inches during the ten preceding years. The wettest month was August with 15·71 inches, the driest October, when 0·01 inch was recorded. The greatest amount of rain which fell on any one day was 6·12 inches, on the 15th August, while no rain fell on 218 days of the year. The mean relative humidity of the atmosphere for the year was 74 per cent., as compared with an average of 78 per cent. during the ten preceding years. The average daily amount of sunshine was 5·5 hours, being 49 per cent. of the possible duration.

X.—POSTAL SERVICE.

The total revenue from the Postal Service in 1912 was $401,054.32 and total expenditure $296,867.12, leaving a credit balance of $104,187.20. The total amount of payments during the year was $256,582.88 less than that estimated for, owing to the high rate of exchange, non-receipt of the claims in respect of mails sent *via* Siberia during the years 1910 and 1911, and non-payment of the shares of the Peninsular and Oriental Mail Subsidy for the fourth quarter by the Crown Agents.

Agreements to regulate the exchange of correspondence and parcels with the Portuguese Colony of Macao were signed on 23rd October, 1912.

XI.—GENERAL OBSERVATIONS.

The Chinese territory adjoining the New Territories was in a disturbed condition during the greater part of the year, owing to the withdrawal of the military posts along the frontier to meet exigencies elsewhere. As a result some serious raids were made by armed bands of robbers into British territory. To guard against these incursions 354 officers and men of the 8th Rajputs and 153 officers and men of the 126th Baluchistan Infantry were, by the courtesy of His Excellency the General Officer Commanding, South China, drafted on the 26th of June to various places along the frontier. This force furnished patrols which moved about the country at various hours by night and by day. It was withdrawn on the 30th of November for annual training in camp in the New Territories. These patrols proved most efficient and the thanks of the Colonial Government were conveyed to the officers and men concerned and to the military authorities for the valuable assistance thus rendered.

On the night of the 19th of August an attack was made on the police station at Ch'eung Chau, where one European serjeant and four Indian constables were stationed, by a gang of pirates and robbers about 40 strong who came from Macao in a junk, landed at the back of the island, and at once proceeded to the police station which is situated in the village. The Indian constable on guard in the village was shot down, as were two other Indian constables who emerged from the houses in the village in which they had been permitted to live with their families. The station was ransacked and a sum of $1,000 was stolen from the safe together with all the arms and accoutrements of the detachment. The money consisted of crown rent and taxes which were being collected at that time of the year. The pirates next looted a pawnshop and then seized a launch at anchor off the village and made good their escape.

In the course of the enquiries into this daring outrage it was discovered that, on the 26th of June, four Chinese passengers had been carried away by pirates, who pirated a ferry launch plying between Tai O, in Lantao, and Hong Kong. The piracy had been reported to the police but no mention had been made of the kidnapping of the four passengers. It was also discovered that on the night of the 30th of June two Chinese had been forcibly carried away from a village in Lantao by robbers who held them to ransom on the island of Wong Kam, near Macao, the jurisdiction over which is in dispute between the Portuguese and Chinese authorities.

As the information of the Hong Kong police pointed to this same island being used as a base by a piratical band, a joint expedition was, at the instance of this Government, organized against the band by the Portuguese and Chinese authorities. Owing to the inevitable delay in arranging the details of such an expedition, the robbers apparently became apprised of the danger which threatened them and the expedition, which took place on 20th of September, proved abortive.

In order to cope with the situation caused by this raid and by the insecurity in the New Territories, an additional launch was bought and armed for the policing of the western waters of the Colony, while steps were taken to strengthen the police doing duty on land in the New Territories by 10 European and 75 Indian police.

A serious boycott of the Low Level Tramway was begun towards the end of November owing to the decision of the company to accept nothing but the legal tender of the Colony in payment of fares. Similar action taken at the same time by the High Level Tramway Company and by the Star Ferry Company passed un-noticed by the Chinese population. The boycott of the Low Level Tramway was due partly to interested action on the part of small bankers, money-changers, and others who make large profits by the manipulation of exchange between Hong Kong currency and Chinese silver coins, and partly to political agitators who feigned to see in the legal and legitimate action of the tramway company a slur on Chinese dignity. The boycott was not stopped till after the close of the year.

In spite of considerable insecurity of life and property in the Kwangtung Province, trade between it and Hong Kong was good. The West River was well patrolled by the Chinese authorities and this water enjoyed a much larger measure of security than many other parts of the Province.

The policy of the Government in controlling the consumption of morphia and compounds of opium was continued by amending the regulations so as to prohibit their sale except on a medical prescription.

This action has resulted in the stoppage of a trade in "cough lozenges" and similar confections containing morphia, which had a large sale among the Chinese owing to their use as a substitute for opium or as an alleged remedy against the opium habit.

The importation of Persian opium into China was prohibited as from the 1st January, and during the year strict supervision was kept, there having been instituted four prosecutions for attempts to smuggle the article. Numerous prosecutions were also undertaken against illicit opium-smoking divans although there is considerable difficulty in the way of finding them out.

Although the transit trade in morphia and cocaine has been stopped, there was still a certain amount of illegal business done and several seizures of these drugs were made during the year.

There is little evidence of their actual use in Hong Kong, but there appears to be a strong demand for them in the Province of Fukien, in Java, Siam, and other countries to the south of the Colony.

Every effort is being made to accomplish the suppression of this illicit trade.

Sir Frederick Lugard left the Colony on the 16th March to take up the government of Northern and Southern Nigeria. Mr. C. Severn administered the government till the arrival of Sir Henry May on the 3rd of July. As the new Governor was proceeding from the landing place to the City Hall, he was fired at by a Chinese, who rushed up to the Governor's chair and discharged a revolver close to Sir Henry May's face. The man was seized by the prompt action of Serjeant Garrod and Indian police constable Kala Singh. The man alleged as his motive a grievance on account of the prohibition of the circulation in Hong Kong of foreign copper coins, and of the repatriation of Chinese from South Africa.

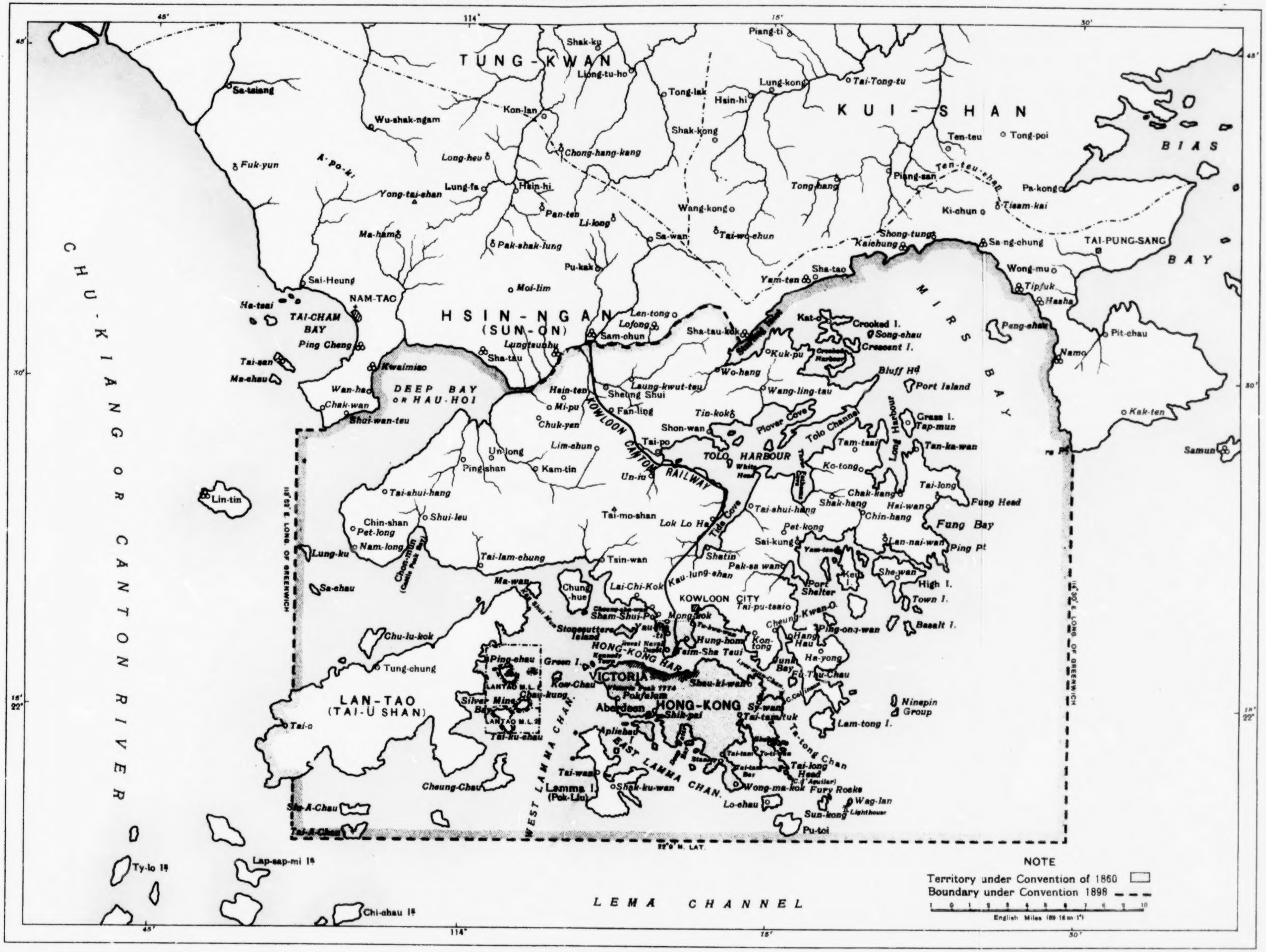
A. M. Thomson,
Acting Colonial Secretary.

28th June, 1913.

Deaths registered in the Colony of Hong Kong during 1912.

—		Smallpox.	Measles.	Typhoid Fever.	Diphtheria.	Cholera.	Diarrhœa.	Dysentery.	Plague.	Malarial Fever.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Alcoholism.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beriberi.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis.	Enteritis and Gastro-enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other Causes.	Unknown.	All Causes.
British and Foreign Community.	Civil ...	3	1	8	1	—	3	16	27	14	—	4	1	—	17	—	5	7	6	1	6	23	20	22	27	4	5	2	6	38	5	272
	Army ...	—	—	—	—	—	—	1	—	3	—	—	2	—	4	—	—	—	—	—	—	2	3	—	2	—	—	—	—	11	—	28
	Navy ...	—	—	1	—	—	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5	—	7
Chinese Community.	Victoria and Peak.	299	5	71	13	—	201	98	1,129	217	10	39	123	7	76	2	352	117	331	127	26	509	110	823	416	67	13	12	49	886	127	6,255
	Harbour ...	33	—	6	1	—	14	13	104	36	1	3	2	1	25	—	2	45	4	34	5	6	9	51	69	8	—	1	8	51	84	616
	Kowloon ...	217	2	1	6	—	30	40	482	80	—	16	11	4	30	—	13	91	32	54	6	16	46	199	162	16	8	8	20	302	86	1,978
	Shaukiwan	12	—	—	—	—	31	6	24	34	—	2	1	—	5	—	2	30	—	15	—	2	2	17	39	1	—	—	—	64	19	306
	Aberdeen	1	—	—	—	—	7	7	2	44	—	—	—	—	—	—	3	62	11	—	—	—	—	1	23	1	—	—	—	38	9	209
	Stanley ...	—	—	—	—	—	—	—	—	3	—	—	—	—	—	—	1	3	1	—	—	—	—	—	—	—	—	—	—	3	—	11
Total, 1912 ...		565	8	87	21	—	286	181	1,768	432	11	64	140	12	157	2	378	355	385	231	43	558	190	1,113	738	97	26	23	83	1,398	330	9,682
„ 1911 ...		198	10	31	15	3	244	177	253	338	6	45	112	10	188	5	324	291	417	320	41	377	193	1,322	775	80	25	23	88	1,542	295	7,748

HONG-KONG, KOWLOON AND ADJACENT TERRITORIES.



TUNG-KWAN
KUI-SHAN
HSIN-NGAN (SUN-ON)
CHU-KIANG OR CANTON RIVER
BIAS BAY
MIRS BAY
DEEP BAY OR HAU-HOI
TAI-CHAM BAY
TOLO HARBOUR
KOWLOON CANTON RAILWAY
KOWLOON CITY
VICTORIA
HONG-KONG
HONG-KONG HARBOUR
LAN-TAO (TAI-Ü SHAN)
LEMA CHANNEL
WEST LAMMA CHAN.
EAST LAMMA CHAN.
TAI-PUNG-SANG
Shak-ku
Liong-tu-ho
Sa-tsiang
Wu-shak-ngam
Kon-lan
Tong-lak
Hsin-hi
Lung-kong
Tai-Tong-tu
Piang-ti
Shak-kong
Chong-hang-kang
Fuk-yun
A-Po-ki
Long-heu
Lung-fa
Yong-tai-shan
Pan-ten
Li-long
Wang-kong
Tai-wo-chun
Tong-hang
Piang-san
Ten-teu
Tong-poi
Ten-teu-chau
Pa-kong
Ki-chun
Tiam-kai
Ma-ham
Pak-shak-lung
Sa-wan
Shong-tung
Kaichung
Sa-ng-chung
Wong-mu
Pu-kak
Moi-lim
Sha-tao
Yam-ten
Tipfuk
Hasha
Sai-Heung
NAM-TAC
Ha-tsai
Ping Cheng
Tai-san
Ma-chau
Kwaimiao
Wan-hai
Chak-wan
Shui-wan-teu
Len-tong
Lofong
Sam-chun
Sha-tau-kok
Lungtsunhu
Sha-tau
Kat-o
Crooked I.
Song-chau
Crescent I.
Crooked Harbour
Kuk-pu
Peng-chau
Pit-chau
Namo
Kak-ten
Samun
Hsin-ten
Sheung Shui
Laung-kwut-tau
Wo-hang
Wang-ling-tau
Bluff Hd
Port Island
Mi-pu
Fan-ling
Tin-kok
Plover Cove
Grass I.
Tap-mun
Chuk-yen
Shon-wan
Tai-po
Tolo Channel
Long Harbour
Tam-tsai
Tan-ka-wan
Um-long
Lim-chun
Ping-shan
Kam-tin
Un-iu
White Head
Ko-tong
Tai-long
Fung Head
Lin-tin
Tai-shui-hang
Chak-kang
Hai-wan
Chin-hang
Fung Bay
Chin-shan
Shui-leu
Tai-mo-shan
Lok Lo Ha
Tide Cove
Pet-kong
Pet-long
Nam-long
Sai-kung
Lan-nai-wan
Ping Pt
Lung-ku
Chou-mun (Castle Peak Bay)
Tai-lam-chung
Tsin-wan
Shatin
Pak-sa wan
Yam-tsai
Kei I.
She-wan
High I.
Sa-chau
Ma-wan
Chung-hue
Lai-Chi-Kok
Kau-lung-shan
Port Shelter
Town I.
Sham-Shui-Po
Mong-kok
Tai-pu-tsaio
Cheung-Kwan-O
Basalt I.
Chu-lu-kok
Stonecutters Island
Yau-ma-ti
Hung-hom
Kon-tong
Hang Hau
Ping-ong-wan
Tsim-Sha Tsui
Junk Bay
Ha-yong
Tung-chung
Ping-chau
Green I.
Shau-ki-wan
Fu-Tau-Chau
Kow-Chau
Victoria Peak 1774
Pokfulam
Ninepin Group
Silver Mine Bay
Chau-kung
Aberdeen
Sai-wan
LANTAO M.L.
Tai-o
Shik-pai
Tai-tam-tuk
Lam-tong I.
Tai-ku-chau
Aplichau I.
Tai-tam Bay
Ta-tong Chan
Tai-long Head
Tai-wan
Lamma I. (Pok-Liu)
Shak-ku-wan
Stanley
Wong-ma-kok
C. d'Aguilar
Fury Rocks
Wag-lan Lighthouse
Cheung-Chau
Lo-chau
Sun-kong
Sha-A-Chau
Tai-A-Chau
Pu-toi
Ty-lo Is
Lap-sap-mi Is
Chi-chau Is
22° 0' N. LAT.
114° 0' E. LONG. OF GREENWICH
114° 30' E. LONG. OF GREENWICH
45'
114°
15'
30'
22°
NOTE
Territory under Convention of 1860
Boundary under Convention 1898
1 0 1 2 3 4 5 6 7 8 9 10
English Miles (69·16 m·1°)

Ordnance Survey Office, Southampton, 1913.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
729	Basutoland	1911–1912
730	Colonial Survey Committee	"
731	Malta	"
732	Nyasaland	"
733	British Honduras	1911
734	Gilbert and Ellice Islands	1910
735	Southern Nigeria	1911
736	Somaliland	1911–1912
737	Imperial Institute	1911
738	Northern Nigeria	"
739	Jamaica	1911–1912
740	Swaziland	"
741	Bahamas	"
742	Grenada	1911
743	Uganda	1911–1912
744	Mauritius	1911
745	Trinidad and Tobago	1911–1912
746	British Guiana	"
747	St. Vincent	"
748	Barbados	"
749	Leeward Islands	"
750	Straits Settlements	1911
751	East African Protectorate	1911–1912
752	St. Lucia	"
753	Gilbert and Ellice Islands	1911
754	Cayman Islands (Jamaica)	1911–1912
755	Gibraltar	1912
756	St. Helena	"
757	Weihaiwei	"
758	Ceylon	1911–1912
759	Sierra Leone	1912
760	Seychelles	"
761	Somaliland	1912–1913

MISCELLANEOUS.

No.	Colony, &c.	Subject.
74	Ceylon	Mineral Survey, 1906–7, and 1907–8.
75	West Indies	Imperial Department of Agriculture.
76	Southern Nigeria	Mineral Survey, 1907–8.
77	St. Vincent	Roads and Land Settlement Fund.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c

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1913.

COLONIAL REPORTS—ANNUAL.

No. 814.

HONG KONG.

REPORT FOR 1913.

(For Report for 1912 see No. 762.)

Presented to both Houses of Parliament by Command of His Majesty.
October, 1914.

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No. 814.

HONG KONG

(For Report for 1912, see No. 762).

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
10th August, 1914.

SIR,

I have the honnour to transmit herewith six copies of the Colonial Secretary's Report on the Blue Book for 1913.

I have, &c.,
F. H. MAY,
Governor, &c.

The Right Honourable
Lewis Harcourt, M.P.
&c., &c., &c.

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REPORT ON THE BLUE BOOK FOR 1913.

I.—FINANCES.

The revenue for the year amounted to $8,512,308, being $660,449 more then the estimate and $331,615 more than the revenue for the previous year.

Compared with the returns for 1912 there were increases under every head with the exception of Fees of Court or Office, Interest, and Miscellaneous Receipts.

The expenditure amounted to a total of $8,658,013, inclusive of a sum of $1,247,689 spent on Public Works Extraordinary.

The detailed figures for 1913 are set out in the following statements:—

Heads of Revenue.

	$
Light Dues	93,649.44
Light Dues, Special Assessment	104,648.41
Licences and Internal Revenue not otherwise specified	5,510,560.89
Fees of Court or Office, Payments for Specific purposes, and Reimbursements in Aid	711,534.94
Post Office	439,189.37
Kowloon-Canton Railway	325,115.22
Rent of Government Property, Land and Houses	898,480.27
Interest	....
Miscellaneous Receipts	136,844.82
TOTAL	8,220,023.36
Land Sales (Premia on New Leases)	292,285.48
TOTAL	$8,512,308.84

Expenditure.

	$
Governor	82,051.05
Colonial Secretary's Department and Legislature	79,977.73
Secretariat for Chinese Affairs	41,674.04
Audit Department	30,817.89
Treasury	66,161.92
Harbour Master's Department	228,516.80
Royal Observatory	24,255.49
Miscellaneous Services	387,783.79
Judicial and Legal Departments	253,636.18
Police and Prison Departments	909,421.09
Medical Departments	227,307.03
Sanitary Department	331,234.55
Botanical and Forestry Department	48,745.88
Education	269,164.33
Military Expenditure	1,615,683.32
Public Works Department	367,544.52
Do. Recurrent	599,843.24
Do. Extraordinary	1,247,689.34
Post Office	622,587.51
Kowloon-Canton Railway	245,808.58
Charge on account of Public Debt	672,961.36
Pensions	280,230.88
Charitable Services	24,916.41
TOTAL	$8,658,012.93

The deficit on the year's working was $145,704, and the balance of assets and liabilities showed on the 31st December a sum of $2,659,426 in the Colony's favour.

The following is a statement of the revenue and expenditure of the Colony for the five years 1909–1913 :—

	Revenue.	*Expenditure.*
	$	$
1909	6,822,967	6,542,839
1910	6,960,861	6,907,113
1911	7,497,231	7,077,177
1912	8,180,694	7,202,553
1913	8,512,308	8,658,012

The capital expenditure on the British section of the Kowloon-Canton Railway during 1913 was $236,806, chiefly in connection with the erection of a terminal station. The total expenditure on this account amounted at the end of the year to a sum of $13,521,231.

The amount of the consolidated loan stands at £1,485,732, and in addition the advances by the Crown Agents for railway construction amounted at the end of the year to £188,518. Against these items there is at credit of the Sinking Fund a sum of £164,188 and there is a balance of £220,000 unpaid in respect of the loan to the late Viceroy of Wuchang.

No new taxation was imposed during the year and no change of any importance was made in existing taxation.

The existing valuation for 1912–1913 was adopted as the valuation for 1913–1914. During the year ending 30th June, 1913, no general assessment was made, the difference in rateable value being the result of interim assessments.

Increases.

The City of Victoria, $164,202 or 1·63 per cent.
The Hill District, $8,700 or 2·99 per cent.
Shaukiwan, Saiwanho, and Quarry Bay, $4,075 or 1·11 per cent.
Hong Kong Villages, $3,019 or 2·[illegible] per cent.
Yaumati, $1,760 or 0·67 per cent.
Mongkoktsui, $2,715 or 1·76 per cent.
Hung Hom and Hok Un, $140 or 0·04 per cent.

Decreases.

Kowloon Point, $18,835 or 3·56 per cent.
New Kowloon, $15,903 or 13·33 per cent.
Kowloon Villages, $11,187 or 11·7 per cent.

The rateable value of the whole Colony amounted to $12,450,992, being an increase of $138,686 or equal to 1·12 per cent. over the value of the previous year.

For the period 1904–1913 the assessment of the whole Colony has risen from $9,929,171 to $12,450,992, an increase in value of 25·39 per cent.

The circulation on the 31st December of notes of the three banks having authorised issues was as follows :—

Hong Kong and Shanghai Bank	$18,417,339
Chartered Bank of India, Australia and China	5,429,671
Mercantile Bank of India	704,742
	$24,551,752

An Ordinance (No. 13 of 1913) was passed prohibiting the circulation of bank notes other than those authorised, while Ordinance No. 15 of 1913, coming into force on 1st March, 1914, was passed to prohibit the circulation of foreign silver coin.

The currency of the Colony consists, in addition to the notes of these banks, of British, Hong Kong, and Mexican dollars and of subsidiary coin.

Foreign note circulation has wholly ceased.

The rate of discount on Hong Kong subsidiary coin varied during 1913 between the following limits :—

50 cent pieces,	par	to 3¾ per cent.
20 ,,	3½ per cent.	,, 8 ,,
10 ,,	6⅜ ,,	,, 12½ ,,
5 ,,	1 ,,	,, 6 ,,
Copper coin,	par.	

The total issue of these coins, less those demonetized, now amounts to $36,392,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1913 ten cent pieces of the face value of $1,040,000 were shipped to England for purposes of demonetization. The discount which has prevailed since 1905 may be attributed to the immense quantity of similar coin which has latterly been minted at Canton as well as to the amount of Hong Kong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hong Kong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetizing all its subsidiary coin received as revenue. This policy has been continuously followed since except during a brief period in 1911. Coin to the face value of $7,607,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of about $44,000,000. It is thought that about half of that amount has dropped out of circulation.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES AGRICULTURE, AND LAND.

(a.)—*Shipping and Trade.*

The total of the shipping entering and clearing at ports in the Colony during the year 1913 amounted to 490.228 vessels, of 37,742,982 tons, which, compared with the figures for 1912, shows an increase of 1,609 vessels, of 1,007,933 tons.

Of the above, 47,529 vessels, of 25,821,352 tons, were engaged in foreign trade, as against 46,603 vessels, of 24,269,270 tons, in 1912, and were distributed as follows :—

	1912. Numbers.	1913. Numbers.	1912. Tonnage.	1913. Tonnage.
British ocean-going ships ..	8·4 %	8·8 %	32·4 %	32·7 %
Foreign ocean-going ships ..	9·2	9·9	35·3	36·0
British river steamers ..	15·0	14·0	17·3	15·8
Foreign river steamers ..	3·8	3·8	3·5	3·6
Steam-launches (under 60 tons)	8·6	9·5	0·6	0·7
Trading junks ..	55·0	54·0	10·9	11·2
	100·0	100·0	100·0	100·0

The movements of fishing junks are not included in the above figures.

Of the ships of European construction, 4,445 ocean steamers, 2 sailing ships, 4,202 river steamers, and 2,287 steam-launches (not exceeding 60 tons) entered during the year, giving a daily average entry of 29·9 ships, as compared with 2[illegible]·7 in 1912, and 26·9 in 1911.

The average tonnage of individual ocean vessels entering the port has increased from 2,575·7 tons to 2,577·5 tons. That of British ships has increased from 2,713·4 tons to 2,742·7 tons, while that of foreign ships has decreased from 2,457 tons to 2,453·7 tons.

During the past twenty years, the average tonnage of ocean vessels has increased from 1,257 tons to 1,995·5 tons.

The average tonnage of river steamers entered during the year has increased from 585·1 tons to 598·6 tons. That of British river steamers has increased from 602·5 tons to 616·2 tons, and that of foreign river steamers has increased from 515·1 tons to 533·2 tons.

A comparison between the years 1912 and 1913 is given in the following table :—

Class of Vessels.	1912.		1913.		Increase.		Decrease.	
	Number	Tonnage	Number	Tonnage	Number	Tonnage	Number	Tonnage
British ocean-going	3,956	7,779,970	4,210	8,449,533	254	669,563	..	..
Foreign ocean-going	4,367	8,592,320	4,679	9,272,635	312	680,315	..	..
British river steamers ..	6,968	4,197,744	6,624	4,078,635	..	..	344	119,109
Foreign river steamers ..	1,738	894,349	1,780	949,328	42	54,979	.	..
Steamships under 60 tons (foreign trade) ..	3,981	150,612	4,574	189,003	593	38,391	..	..
Junks, foreign trade	25,593	2,654,275	25,653	2,882,518	60	228,243	..	..
Total, foreign trade.. ..	46,603	24,269,270	47,520	25,821,652	1,261	1,671,491	344	119,109
Steam launches plying in waters of Colony ..	411,990	10,609,404	416,438	10,720,604	4,448	111,200	..	..
Junks, local trade	*30,056	*1,856,475	†26,270	†1,200,726	..	..	3,786	655,749
Grand Total..	488,649	36,735,149	490,228	37,742,982	5,709	1,782,691	4,130	774,858
				Net	1,579	1,007,833	..	..

* Including 9,922 Conservancy and Dust Boats of 624,090 tons.

† „ 10,026 „ „ „ „ of 407,276 „

This table shows an increase in British ocean shipping of 254 ships, of 669,563 tons, or 6·4 per cent. in numbers and 8·6 per cent. in tonnage.

British river steamers show a decrease of 344 ships, of 119,109 tons, or 4·9 per cent. in numbers and 2·8 per cent. in tonnage. This is due to the fact that two Chinese owned British steamers, the *Wing Hon* and the *Hoi Tung*, ceased running during the year.

Foreign ocean vessels increased by 312 ships, of 680,315 tons, or 7·1 per cent. in numbers and 7·9 per cent. in tonnage. This is almost entirely due to the increase under the Japanese flag of 287 ships, of 650,766 tons, though there are small increases under the Austrian, Dutch, Norwegian and United States flags, while French, German and Italian shipping decreased.

Foreign river steamers show an increase of 42 ships, of 54,979 tons, or 2·4 per cent. in numbers and 6·1 per cent. in tonnage. These figures are explained by the substitution of the *Kwong Kung*, of 418 tons, under Chinese colours for the *Kwong Wai*, of 195 ton. During the year the two river steamers hitherto under French colours have been transferred to the Chinese flag.

Steam-launches in foreign trade increased by 593 vessels, of 38,391 tons, or 15 per cent. in numbers, and 25·5 per cent. in tonnage. The causes which led to the large increase in 1912 have continued to be operative during the whole of 1913 but larger launches have been employed on the various runs.

Junks in foreign trade show an increase of 60 vessels, of 228,243 tons, or 23 per cent. in numbers and 8·5 per cent, in tonnage. This appears to indicate that the foreign trade is being carried in junks of larger size than formerly.

In local trade, *i.e.*, trade between places within the waters of the Colony, there is an increase in steam-launches of 4,448 vessels, of 111,200 tons, or 1 per cent. in both numbers and tonnage.

In local trade junks there is shown a large decrease of 3,786 vessels, of 655,749 tons, or 12 per cent. in numbers and 35 per cent. in tonnage. This is explained by the facts that many large junks formerly employed in local trade have gone into foreign trade during the year, and that all junks under 150 piculs capacity are now classed as "boats."

It is of interest to note the altered relative positions of German and Japanese shipping visiting the Colony. In 1912 German shipping arriving occupied the second place on the list, with 637 ships, of 1,129,054 tons, or 7·4 per cent. of the total arrivals of ocean and river trade vessels, and 10·5 per cent. on tonnage; while under the Japanese flag came 592 ships, of 1,572,194 tons, or 6·9 per cent. in numbers and 14·6 per cent. in tonnage. In 1913 German shipping fell to the third place in both number and tonnage, with 597 ships, of 1,107,453 tons, or 6·9 per cent. in numbers and 9·7 per cent. in tonnage, against Japan's 740 ships, of 1,907,307 tons, or 8·5 per cent. in numbers and 16·7 per cent. in tonnage.

The actual number of individual ocean vessels of European construction entered during 1913 was 791, of which 361 were British and 430 were foreign. In 1912 the corresponding figures were 724, 336 British and 388 foreign.

These 791 ships measured 2,045,076 tons. They entered 4,447 times, and gave a collective tonnage of 8,873,806 tons. Thus, 65 more ships entered 292 more times, with a collective tonnage increased by 687,670 tons, an average of 2,355 tons per ship.

Thus :—

Flag.	Steamers.		Number of times entered.		Total Tonnage.	
	1912.	1913.	1912.	1913.	1912.	1913.
British { Steamers..	335	359	1,977	2,099	3,892,354	4,209,950
British { Sailing ..	1	2	1	2	2,890	5,419
Japanese	123	164	592	740	1,572,194	1,907,307
German	98	106	637	597	1,129,054	1,107,453
Norwegian	26	29	168	189	173,145	182,633
Austrian	10	12	46	51	153,624	168,063
Chinese	30	26	236	233	275,310	272,166
Danish	6	6	11	13	28,927	34,433
Dutch	18	15	112	128	246,352	242,928
French	26	22	142	155	229,532	284,628
Italian	4	2	13	7	31,403	18,312
Portuguese	5	5	101	114	49,494	52,009
Russian	18	21	35	34	103,998	86,021
Swedish	6	7	14	12	37,262	31,497
U.S.A.	18	15	70	73	260,597	270,987
TOTAL	724	791	4,155	4,447	8,186,136	8,873,806

Trade.

The remarks with which this section of the Harbour Master's Report has always opened, as to the unreliability of the figures supplied by shipmasters, were never more fully justified than this year, the discrepancies between the quantities of various items reported and the actual quantities, which in some cases it has been possible to discover, being very marked.

Imports.—Under this heading, which includes all cargo landed or transhipped in the Colony from ocean vessels and river steamers (not from junks or steam-launches), a total of 4,956,125 tons was reported, which, compared with that reported for 1912, shows the enormous increase of 804,000 tons, or nearly 20 per cent.

Of this total, the imports of coal, case oil, rice, timber, and "general" show increases, while cotton goods, flour, bulk oil, and liquid fuel show decreases.

Coal.—Here an increase is reported of 75,000 tons, or 7 per cent.

This, as last year, is accounted for by increased demand for coal in Canton, and generally inland: about one-third of the total having been re-exported to Canton.

No coal of British origin arrived in the Colony, except that imported by the Admiralty. The imports of Japanese coal fell off considerably during the latter part of the year, its place being taken by increased imports of Chinese coal.

Cotton Goods.—The decrease indicated here amounts to 19,894 tons, or 33 per cent. It is more than doubtful if this decrease is borne out by facts although there was undoubtedly considerable reduction in imports of both piece goods and yarn.

The favourable prospects prevailing at the beginning of the year, as noted in last year's report, were destined to be extinguished by the renewed political trouble in China, which created unrest and financial difficulties destructive to trade, with the result that the demand fell to zero, and no shipments were made. During the last part of the year, however, the trade revived, prices ruling steady, and exchange generally favourable.

Flour.—Here was reported a decrease of 30,716 tons, or 31 per cent., most of which is fabulous, the imports of flour being probably reported, in many cases, as "general." The actual imports amounted to 129,415 tons, of which 67,887 tons were reported. This amended total, compared with that for 1912, gives a decrease of 12,950 tons, or 10 per cent. The reason for this actual reduction in imported flour is undoubtedly the recrudescence of political trouble in China, which caused shippers to be cautious.

It is of interest to note that Canada, during 1913, made her first shipments of flour to this market. The quantity is as yet small, only 8,000 tons, or 6 per cent. of the whole, but, given more stable conditions in China, there is no reason to doubt that the Canadian mills will shortly be sending us large quantities.

Kerosene Oil.—Bulk Oil shows a falling off of 12,537 tons, or 18 per cent. This decrease is not of any importance. The stocks in hand in the Colony were large at the beginning of the year and low at the end, more having been sold than imported. The actual consumption of oil, imported in bulk, in South China decreased by about 5 per cent., but this was more than counterbalanced by increased consumption of oil imported in cases. Bulk oil is always decanted into tins before distribution in China, so that to the actual customer it makes little, if any, difference in what form it arrives in this Colony.

Case Oil.—Here an increase of 12,243 tons, or 33 per cent., is reported, but, as in the case of bulk oil, there is no significance in the figures. It is merely a question of stocks and freights. Stocks were low at the beginning of the year and freights high. During the second half of the year freights dropped, and large shipments were made, so that by the end of the year all available storage was virtually full. During the year a new competitor in this trade has entered the arena, in the shape of the Texas Oil Company, who have made some large shipments to this market.

Liquid Fuel.—A large decrease is reported here, amounting to 8,116 tons, or nearly 41 per cent. It has not been possible to verify the suspicions that a large quantity of liquid fuel has entered the Colony unreported, but it is believed that this is so from the fact that, although the vessels of the Toyen Kisen Kaisha have ceased to bunker here, the demand from other points is increasing.

Opium.—A further decrease is shown in the imports and exports of raw opium, which indicates generally the effect of the Opium Agreement of May, 1911, and of the subsequent arrangements between the Governments of Great Britain and China. The figures for the imports and exports since 1908 are shown in the following table :—

	1913.	1912.	1911.	1910.	1909.	1908.
	Chests.	Chests.	Chests.	Chests.	Chests.	Chests.
Stock in hand 1st January	5,560	7,587	7,123	4,509	5,808	4,707
Imported during the year	9,108½	12,361¼	21,286	31,743	35,734	41,821
Total........	14,668½	19,948¼	28,409	36,252	41,542	46,528
Boiled by opium farmer..	667	1,113	761	782	1,044	864
Spurious opium destroyed	—	2	—	14	51	247
Stolen	2	9	—	—	--	—
Exported during the year	9419	13,264¼	20,061	28,333	35,938	39,609
Total.........	10,088	14,388¼	20,822	29,129	37,033	40,720
Stock remaining 31st Dec.	4,580½	5,560	7,587	7,123	4,509	5,808

Rice.—The figures furnished by shipmasters show an increase in the rice imports of 34 per cent. As a matter of fact, the increase amounts to about 20 per cent. The rice crop in China was above average, so that there was no need for extra importation. In Annam and Siam the crops were unusually good, and prices ruled low. The Tonking crop was poor. The figures given show that about 750,000 tons of rice arrived in the Colony during the year.

Timber.—The increase of 9,663 tons, or 13·5 per cent., reported is due to the increased demand for Borneo hardwoods and American and Canadian pine, for house and ship building. It is mostly sent on in junks to Canton.

Rattans.—The trade in rattans is an increasing one, though not to the extent indicated by the reports sent in, which show an increase of 2,426 tons. The quantity reported in 1912 was 907 tons and in 1913 3,333 tons. As a matter of fact, 10,588 tons were imported in the latter year, being an increase of about 11 per cent. Of this total, about 60 per cent. comes from the Straits Settlements, 30 per cent. from

Java, and 10 per cent. from Borneo. About one-third is exported, raw, to Canton.

General.—Here an increase is reported of 688,286 tons, or 43·6 per cent. This is probably a genuine increase, when allowance is made for the itemised descriptions of cargo reported as "general." It appears to be due to the state of the freight market during the greater part of the year, and serves to show that, however much the political state of China influenced certain branches of trade, the deficit was more than made up in other branches.

Export Cargo.—Under this heading were reported 2,681,318 tons, an increase of 346,318 tons, or nearly 15 per cent.

Transit Cargo.—There is shown an increase in transit cargo of 345,848 tons, or 7·5 per cent.

Emigration and Immigration.

One hundred and forty-two thousand seven hundred and fifty-nine (142,759) emigrants left Hong Kong for various places during the year 1913 (122,657 in 1912).

Of these, 103,665 were carried in British ships, and 39,094 in foreign ships.

Statement of Number of Emigrants to Straits Settlements, 1908 to 1913, compared with total Chinese Emigration, 1908 to 1913.

	Number of Emigrants to Straits Settlements.	Total Number of Emigrants.
1908	49,639	71,081
1909	48,016	77,430
1910	76,705	111,058
1911	100,906	135,565
1912	84,024	122,657
1913	102,353	142,759

One hundred and sixty-six thousand nine hundred and twenty-one (166,921) returning emigrants are reported to have been brought to Hong Kong from the several places to which they had been emigrated either from this Colony or from coast ports, as against 163,248 in 1912. Of these 130,313 arrived in British ships, and 36,608 in foreign ships.

(b.)—*Industries.*

(i.)—*Under European Management.*

Engineering and Shipbuilding.—This industry improved as regards tonnage during the year under review.

1913.

Taikoo Dockyard and Eng. Co., Ld.	11	vessels of	5,886	gross tons	and	4,420	I.H.P.
Hong Kong and Whampoa Dock Co., Ltd.	9	„	3,304	„	„	4,700	„
W. S. Bailey & Co.	15	„	306	„	„	509	„
Kwong Fook Cheong	3	„	220	„	„	385	„
Kwong Tuck Cheong	6	„	1,493	„	„	2,406	„
Sam Kee	3	„	140	„	„	250	„
Kwong Hip Lung Co., Ltd.	6	„	558	„	„	1,002	„
Kwong Sze Sang	6	„	380	„	„	720	„
Total	59	vessels of	12,287	gross tons	and	14,392	I.H.P.

1912.

Taikoo Dockyard and Eng. Co., Ltd.	8	vessels of	2,121	gross tons	and	1,065	I.H.P.
Hong Kong and Whampoa Dock Co., Ltd.	6	„	922	„	„	1,275	„
W. S. Bailey & Co.	15	„	491	„	„	486	„
Macdonald & Co.	3	„	197	„	„	218	„
Ulderup & Schluter	6	„	87	„	„	120	„
Tung Hing Lung	2	„	50	„	„	180	„
Kwong Fook Cheong	3	„	665	„	„	585	„
Kwong Hip Loong	1	„	27	„	„	76	„
Kwong Tak Cheong	3	„	548	„	„	846	„
Kwong Tak Hing	1	„	91	„	„	110	„
Kwong Hip Lung Co., Ltd.	6	„	250	„	„	575	„
Cheung Kee	1	„	34	„	„	79	„
Kwong Sze Sang	5	„	206	„	„	1,301	„
Kwong Lee	1	„	76	„	„	102	„
Total	61	vessels of	5,765	gross tons	and	7,018	I.H.P.

Sugar Refineries.—The year 1913 was an unsatisfactory one. Prices, owing to severe Japanese and Java competition, were on a very low scale throughout the whole period. In addition to this, tightness of money, restriction of credit, and want of confidence in the country generally, had an adverse effect on the China market.

Cotton Spinning.—The Cotton yarn trade proved somewhat disappointing during 1913, as the bright prospects under which the year opened were not fully realized owing to political unrest and chaotic financial conditions in China. The local mill, however, has worked full time and did a larger turnover than in the previous year, which would tend to show that yarns produced from China cotton (on similar lines to the Shanghai mills) are growing in favour.

It is generally felt that, granted reasonable facilities for trade, the outlook is encouraging.

Rope Manufacturing.—The rise in the price of hemp in the Philippines, which was the chief feature of 1912, was well maintained during 1913, but towards the end of the year the market eased off owing to absence of enquiry from the United States. It is anticipated, however, that the crop for 1914 will be considerably below the average, and if this turns out to be the case we may expect no decline of importance during 1914. The effect of the high price of the raw material during the year was, as anticipated in our last report, to curtail sales, although the demand was on the whole satisfactory throughout the year.

Cement.—The demand in the Far East kept up during the year. The local Green Island Cement Co. unfortunately was not able to keep the different markets well supplied, on account of the embargo placed on the export of limestone from the Kwangtung Province still being in force, the result being the reappearance of various European and Japanese brands, and a large importation of the Haiphong Company's product. The trouble was nearing a settlement at the end of the year, and it is hoped that stone will be procurable from the old sources of supply before much longer. Outward freights from Europe and England were somewhat lower, and prices declined towards the end of the year.

(ii.)—*Under Chinese Management.*

Rattan and Fibre Furnitures.—Manufacturers and exporters alike report a greatly increased business, the demand for hemp string and sea grass being particularly good.

Native Tobacco.—Contrary to expectations this industry has revived; many Chinese who formerly used cigarettes of European manufacture are now favouring the native weed. The output has increased 30 per cent. on the previous year and business has been profitably carried on.

Tinned Goods.—The volume of exports increased and local factories report a very good year.

Samshu.—The Superintendent of Imports and Exports reports that the trade has been steady during the year, an increase being shewn in samshu (*a*) distilled locally, (*b*) imported, (*c*) exported and (*d*) consumed locally. New distilleries have been opened in Hong Kong and the New Territories.

Vinegar.—The output shows a slight falling off as compared with the previous year and business generally has not been profitable.

Knitted Vests and Socks.—Notwithstanding the keen competition of the Japanese, who imported largely in the early part of the year, business cannot be said to have been bad, and prospects for the coming year are good.

Leather and Hides.—Local tanneries have almost died out, but the export of raw hides to Penang has greatly increased and the re-import of fine leather from that port steadily grows to meet the extraordinary demand in China for foreign style ladies' boots and shoes, and for military equipment.

Ginger and Preserves.—Business increased 20 per cent. during the year, profits being considered good all round.

Soy.—Exporters again report a dull market, and a continual drop in export to Singapore and the south.

Paper.—The year shows a further decrease in this trade and stocks on hand are heavy.

Vermilion.—The output just about corresponds with the previous year, but the demand has increased and good profits have been made at enhanced prices.

Lard.—The export of this and dried meats to the Philippine Islands increased about 30 per cent. and local merchants are prepared to comply with regulations imposed as to purity, etc.

(*c.*)—*Fisheries.*

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—*Forestry, Agriculture, and Botany.*

On the south slope of Beacon Hill 66,000 one-year-old pine tree seedlings were planted. 5,000 pine tree seedlings were also planted on the Kowloon Service Tank Hill.

About 50,000 pine tree seedlings have been raised for planting in 1914. A much larger number had been provided for but the August typhoon destroyed between 30,000 and 40,000.

At Aberdeen and Pokfulum, in areas cleared by fires, pine seeds were sown in sites.

Some 5,000 young banian trees were planted on the low hills to the south of Beacon Hill. One hundred young camphor trees were also planted on these hills.

In the Pokfulum valley over 2,500 young trees were planted consisting of camphor, Tristania and Ficus.

Pine seed, amounting to 420 lbs., was sown broadcast on grassy hills in the vicinity of Kowloon Tsai.

Alongside the Castle Peak-Shataukok Road, 1,300 trees were planted, consisting of Poinciana, Ficus and Melaleuca.

At U Kau Tang 1,000 pits were made, some of which were planted with trees and the others sown with seeds.

In the vicinity of Fanling 250 flowering trees were planted.

The young pine tree plantations at Mount Davis, Aberdeen and Lyemun were thinned out.

Creepers encircling trees in plantations at Mt. Kellett, Mt. Victoria, Mt. Gough, Mt. Parker, and Kowloon Catchwater were cut.

Trees and shrubs standing in the New Reservoir area at Tytam Tuk were felled.

Large numbers of flowering trees and shrubs were planted along the Bowen, May, Magazine Gap and Peak Roads and the Peak Tramline.

In connection with anti-malarial measures about 4,500,000 square feet were cleared of undergrowth at Government expense. A further area of about 975,000 square feet was cleared at the expense of the military authorities and an area of 3,500 square feet at the cost of private individuals.

For survey purposes an area of about 2,400,000 square feet was cleared for the Public Works Department.

Several inquiries were made by merchants regarding seeds of economic value and the desired information was given.

The first and second rice crops were good. Lichees were plentiful. On the last day of the year frost destroyed many of the fields of sweet potatoes in the New Territories.

(e.)—*Land Grants and General Value of Land.*

There was a considerable increase in the net amount received from sales of Crown land and pier rights during 1913, the figure reached being $292,285, which is $128,501 more than the preceding year and $126,400 more than the average for the past five years. The principal items are:—$43,645 for Kowloon Inland Lots Nos. 1,283 and 1,284, a large area of 233,225 square feet situate near Yaumati Railway Station, $35,000 and $23,500 respectively for Inland Lots Nos. 2,028 and 1,968 in Taipingshan, in the City of Victoria, which were sold at the rates of $4.95 and $5.11 per square foot: $24,900 obtained for Inland Lot No. 1,947, an area of 249,000 square feet situate on the summit of the ridge east of the Happy Valley, and $12,936 for sales of land in the New Territories, the last figure being $4,791 more than the amount received for the previous year, an increase of nearly 38 per cent.

There were not as many sales of lots in and around the City as there were last year, but several large lots were sold, and in some instances there was keen competition, particularly in the case of the two lots at Taipingshan above mentioned, when the amounts realized were considerably in excess of the upset prices.

There was a further increase in the number of private propertie which changed hands, the total number of lots or portions of lot being 1,455, as against 1,219 last year, the total purchase money paid being $21,845.734, which is $2,815,748 in excess of last year's total.

During the year a survey was made of Marine Lot No. 54, which was re-entered in 1912, the lot being divided into some 61 inland lots, in respect of which 51 Crown leases have already been issued.

There was an improvement in the demand for granite quarries after a period of depression. A batch of ten were put up to auction at the end of the year for short periods and realized an increase of 57 per cent. above the upset rentals.

In the New Territories the demand for land was normal inasmuch as the number of lots sold was very little in excess of the preceding year, but the sale of several large agricultural lots and a large oyster

Bed in the Northern District swelled the total acreage of, and the prices obtained for, lands sold in that part of the Colony to figures considerably above last year's totals.

An area of 42 acres was granted to the Royal Hong Kong Golf Club as an extension to the existing course at Fan Ling in the New Territories.

III.—LEGISLATION.

Thirty Ordinances were passed during 1913, of which 14 were amendments of previous Ordinances and one, an Ordinance to repeal the Sugar Convention Ordinance, was subsequently disallowed.

The most important matters with which these Ordinances dealt were the General Loan and Inscribed Stock Ordinance (No. 7), setting forth the terms and conditions applicable to loans authorised by the Hong Kong Government and to provide for the creation of Hong Kong Inscribed Stock, the Prohibition of the Circulation of Foreign Notes (No. 13), the Prohibition of the Circulation of Foreign Silver and Nickel Coins (No. 15), the Steam Launch and River Trade Steamer (Protection against Piracy) Ordinance (No. 18), which provides for precautions being taken on board river steamers against the seizure of steamers by pirates who embark under the guise of passengers, and the Education Ordinance (No. 26), which provides for the registration, control and supervision of schools.

IV.—EDUCATION.

The Education Ordinance was passed and came into force towards the end of the year. By its provisions all schools except Government Naval and Military Schools and a few others especially excluded are compulsorily registered and are subject to inspection. Unregistered schools are illegal and the Managers liable to a heavy fine. The Director of Education has power to close inefficient and unnecessary schools, an appeal lying to the Governor in Council. This Ordinance has brought 620 schools, with 11,909 pupils, under control. The total numbers of pupils at school in the Colony are :—

	English Schools.	Vernacular Schools.	Total.
Government	2,155	107	2,262
Naval, Military and excluded	675	..	675
Grant Schools	2,029	2,169	4,198
Private Schools, Hong Kong	1,196	7,490	8,686
Private Schools, New Territories	..	3,223	3,223
	6,055	12,989	19,044

The most important schools, apart from the excluded schools (of which the Department has no knowledge), are *Queen's College* for Chinese and three *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance. *Kowloon School* and *Victoria School*, for children of British parentage, have an average attendance of about 120. The *Diocesan School* and *Orphanage*, *St. Joseph's College* and the *Ellis Kadoorie School* are important boys' schools. The *Italian*, *French* and *St. Mary's Convents*, and the *Diocesan Girls' School* are the most important of the English Grant Schools.

The Hongkong Technical Institute affords an opportunity for higher education to students who have left school. Instruction was given in 1913 in Mathematics, Machine Drawing, and Building Construction; in Chemistry, Physics and Electricity; in Commercial English, Logic and Political Economy; In French, Shorthand and Book-keeping. Classes in Sanitation (Public Hygiene) and First Aid to the Injured are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London, and of the St. John Ambulance Association, respectively. Classes for men and women teachers are a feature of the institute.

The Lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

While the Technical Institute has suffered in several directions from the activity of the University, it continues to perform many useful functions of its own. The Normal Classes for men and women, the Shorthand, Mathematics and English Classes were all well attended, as also a " First Aid " Class.

The University of Hong Kong was opened for teaching in September, 1912. Chancellor, His Excellency Sir Francis Henry May, K.C.M.G.,B.A.,LL.D., Vice-Chancellor and Principal, Sir Charles Eliot, K.C.M.G., C.B., D.C.L., M.A., LL.D., Dean of the Faculty of Engineering, Professor C. A. M. Smith, M.SC., M.I.M.E., Dean of the Faculty of Medicine, Francis William Clark, M.D., Dean of the Faculty of Arts, Professor A. E. W. Salt, M.A., Registrar, A. C. Franklin, F.I.C.

Faculties of Engineering, Medicine, and Arts are fully established. In the Engineering Department courses are being given in Civil, Electrical, and Mechanical Engineering, leading up to the degree of B.Sc. (Eng.). The Medical faculty prepares students for the degrees of M.B. and B.S. The Arts faculty gives the degree of B.A., which, like all the other degrees of the University, is modelled on the London Pass Degree.

Five years of residence are required before the M.B. or B.S. can be granted, and four for the B.Sc. (Eng.) and B.A. There are three terms in the Session, which begins on September 15th and ends about May 31st. The fees are $300 for tuition, and $240 for board and residence, with a deposit of $25 caution money. All fees are payable in terminal instalments.

The University has shown abundant proof of vitality. At the end of the year the number of students was 107, 52 of whom were taking Engineering, 30 Medicine and 25 Arts. While most of the students have studied in Hong Kong schools a number come from Canton, the coast ports of China and the Straits Settlements.

V.—PUBLIC WORKS.

The Western Market was completed, being opened on the 1st October. The buildings in connection with it occupy fully half an acre of land, the main building being two-storied.

The Mongkoktsui Breakwater was constructed throughout to a height of about 5 feet above high water level or 14 feet above low water level, whilst the reclamation adjoining the northern entrance of the Harbour of Refuge, which forms part of the scheme, was nearly completed. The foundations of the pier enclosing the Harbour of Refuge to the south were ready to receive the superstructure.

The concreting of the foundations of the valve tower in the large masonry dam, forming the second section of the Tytam Tuk Scheme, was begun at the close of the year.

The following buildings were completed:—Sanitary Offices in Wantsai and Saiyingpun Districts; new operating theatre, etc., at the Civil Hospital; an extension of the City Slaughter Houses and Lairage Sheds and quarters near same for an additional Inspector; a large extension of the Belilios Public School; quarters for the sextons at Mount Caroline and Kailungwan Cemeteries; a temporary building for the Survey Staff of the Public Works Department; an underground trough closet at the west end of Wellington Street; a vegetable and fruit market at Yaumati and an extension of the Royal Observatory, Kowloon. The following buildings were in course of erection:—New Magistracy; a new Public Works storeyard; quarters for subordinate officers at Breezy Point, on Mount Parish, and adjoining King's Park, Kowloon, (30 houses in all); stables for the Sanitary Department adjoining No. 1 Police Station; an underground trough closet at the foot of Pottinger Street; a urinal at Happy Valley and additions to Hunghom Police Station.

A diversion of Wongneichong Road to the north of the village bearing the same name was completed and the improvement of a further portion of this road, extending from near the village to the gate of the Colonial Cemetery, was in progress. The Tramway Company undertook the extension of their Happy Valley line to opposite I.L. 1,927. Belchers Street was extended past M.L.'s 263-268, Kennedy Town, and the first portion of a road along the north face of Victoria Peak, extending for a distance of 2,820 feet from Victoria Gap, was nearly completed. The construction of a road to give access to I.L.'s 1,946 and 1,947, situated on the spur to the east of Happy Valley, was begun. In the New Territories, the remaining section of the Castle Peak—Sha Tau Kok Road, extending from Au Tau to San Tin, was completed, but the bridging of the creek at Au Tau still remains to be done. An extension of the road at Castle Peak Bay to a point where a pier can be constructed to admit of launches going alongside at all states of the tide was begun. A branch road from Au Tau to Kam Tin was completed, with the exception of the bridge near the latter place, and branch roads between the following points were completed or nearly so:—Sheung Shui Railway Station to Fanling Golf Course; Sheung Shui Railway Station to Shek Wu Hui and Sheung Shui villages.

The training of the stream at No. 12 Bridge, Shaukiwan, was completed for the full distance to which such works are to be extended at present and the training of a considerable length of the stream at No. 11 Bridge was proceeded with. Streams in the Wongneichong, Wanchai, Bowen Road, Magazine Gap and Mount Austin Districts were also trained. An extension of the nullah at the railway yard, Hunghom, was carried out with a view to obviating the flooding of the yard during heavy rainstorms and the consequent deposit of large quantities of detritus. Various extensions of sewers in connection with new building lots were carried out and further drainage works were executed at Shamshuipo on account of reclamation works in progress there.

The reclamations in front of K.M.L.'s 29-31, Yaumati, to the south of K.M.L. 32, Taikoktsui, and at Shamshuipo were nearly completed. The works executed with a view to the improvement of Ap Liu Village were completed, but arrangements for the reconstruction of the houses themselves still remained to be carried out.

The work of providing scavenging lanes was continued, compensation being paid where necessary. The demolition of the riding floors over the north and south ends of Tung Man Lane and over the north end of Wing On Lane (Nos. 118 and 128 Des Vœux Road Central and 117 Queen's Road Central) was carried out, the owners being compensated by Government.

The service reservoir and filter beds near Sywan Gap in connection with the Shaukiwan Water Works were nearly completed. A new pumping station on Pokfulam Road to supersede the one on Bonham Road was in progress.

Kowloon Inland Lot No. 1,132, containing a detached house, was resumed at a cost of $60,000, the house and surrounding land being taken over by the railway for a manager's residence, whilst the remainder of the land was utilized in conjunction with some adjoining Crown land for a site for subordinate officers' quarters. The amounts paid by the Railway and Public Works Department respectively were $46,682.31 and $13,317.69.

The total amount expended on Public Works Extraordinary was $1,247,689 and on works annually recurrent $599,843.

A very considerable amount of damage was caused by typhoons which occurred on the 16th-17th August and 18th-19th September, whilst a rainstorm on the 12th June did great damage to the New Territories road near Un Long. The typhoons were accompanied by exceptionally high tides.

Railway.

The plans for the new terminal station were received at the beginning of January, and the Architect, Mr. A. B. Hubback, F.R.I.B.A., arrived during the month, when they were discussed with him. Considerable modifications were decided upon and it was not until the middle of April that the first foundation plan was received and the work started departmentally, borings and prickings having previously been taken. The whole of the foundations and sewer water drainage were completed during the year and two island platforms built, 600 feet and 700 feet long respectively. It is regretted that delivery of the points and crossings required for laying out the station yard was delayed, which resulted in the platforms not being available as soon as anticipated. Other construction work consisted of building a permanent station at Taipo Market to a Chinese design, which has called forth favourable comment from the Chinese travelling public; the erection of a small station at Sheung Shui Halt at the crossing of the new Government Road, which serves the increasingly popular golf course at Fanling; the building of staff quarters at Shatin; and a small station at Shataukok.

The year's expenditure chargeable to Construction Account was $232,580 Main Line and $4,226 Fanling Branch, making a total of $236,806 against the grant of $430,068, which shows a saving of $193,262.

The working expenses compared with gross receipts show a marked decrease; the percentage for the previous year being 85·81, while for 1913 it was only 73·68.

The revenue derived from local traffic was $129,206, an increase of $12,382, and that from through and joint sectional traffic has increased by $78,942. The excess of income over expenditure for the year was $87,825.

The expenditure on the Fanling Branch during the year amounted to $11,086.29, against an estimate of $12,536.00, which shows a saving of $1,449.71. The estimated earnings were calculated to be $14,600, but the actual amount realized was $6,912.25 only. With the institution of the new rolling stock in April, 1914, it is hoped that the receipts will increase.

Passengers booked by British Section to Stations in China	250,437
Passengers booked by Chinese Section to Stations on the British Section ..	296,614
Passengers travelling on the British Section, Main Line	230,339
Passengers travelling on the British Section, Fanling Branch	47,119

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a.*)—*Hospitals.*

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an observation station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the harbour.

The Civil Hospital contains 150 beds in 19 wards. 2,793 in-patients and 15,361 out-patients were treated during 1913, as against 2,731 and 15,177, respectively, in 1912. 254 cases of malarial fever were admitted, as against 198 in 1912 and 112 in 1911, but the total cases of malaria for all Government Hospitals and the Tung Wa Hospital show a decrease of 150 cases as compared with the year 1912. The Maternity Hospital contains 12 beds for Europeans and 4 for Asiatics. 213 confinements occurred during the year, as against 140 in 1912. The Victoria Hospital, at the Peak, contains 41 beds, and during 1913 220 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 9 cases were treated in 1913, all being small-pox.

(*b.*)—*Lunatic Asylum.*

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 259 patients of all races were treated during 1913 and there were 17 deaths.

(*c.*)—*The Tung Wa and other Chinese Hospitals.*

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by this institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The Hospital is managed by a committee of Chinese gentleman annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst a Chinese house surgeon, trained in Western medicine, is a member of the hospital staff. There are 323 beds in the buildings and 4,910 patients were accommodated during 1913.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 58 beds and during 1913 101 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital, opened in 1887, the Nethersole Hospital, opened in 1893, the Alice Memorial Maternity Hospital, opened in 1904 and the Ho Miu Ling Hospital, opened in 1906. The number of in-patients in 1913 was 1,634 and the expenditure $18,053.34. The number of labours in the Maternity Hospital was 394. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The new Kwong Wa Hospital for Chinese, in the Kowloon Peninsula, was opened on the 9th October, 1911. It occupies a site having an area of three acres and as designed will ultimately provide accommodation for 210 patients. The existing buildings contain 70 beds and 1,416 patients were accommodated during 1913. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese affairs. The hospital receives a grant of $8,500 per annum from the Government.

The Hong Kong University is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,000 per annum; whereas at Hong Kong the expenses of the University are $540 per annum for board and tuition, or, including extras, from $600 to $650.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hong Kong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connection it is interesting to note that the Chinese residents of Hong Kong recently subscribed a large sum for levelling a new playing field, and that the work has just been completed.

The University is composed of three faculties: (1) Medical, which offers unexampled facilities for the practice of medicine. The anatomical laboratories were the gift of a Cantonese gentleman (Mr. Ng Li-hing). There is a large staff of instructors in medicine:

all the principal doctors of Hong Kong give lectures at the University. (2) Arts. The establishment of this faculty was largely due to the munificence of a Straits Chinese gentleman (Mr. Cheung Pat-sze). Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. Instruction comprises English and Chinese literature, political and constitutional history, political economy, jurisprudence, and international and commercial law.

The largest of the faculties is that of (3) Engineering, to which nearly two-thirds of the students belong. It is divided into three branches: Civil, Electrical and Mechanical. The University has an exceptionally large equipment of machinery and apparatus, and at the end of this year it will probably have fourteen laboratories and workshops in working order. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management.

The University insists upon all students having a proper knowledge of their own language, although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese professors, both Hanlin graduates, give lectures on the classics and history of China.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported, by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1913 the number of persons admitted was 625 and at the close of the year 62 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It is now housed in the Belilios Reformatory and receives a small grant from the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866–9 by subscription.

Small grants are also given to the Italian Convent ($1,280), the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters who can assist the inmates of houses where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence, including one for the boat population on a hulk in Causeway Bay. The total cost of maintenance, which is defrayed by voluntary subscription, was $39,392.09. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 12,011, being a decrease of 649, or 5·13 per cent., as compared with 1912. There was in 1913 a decrease in serious offences of 825, or 19·30 per cent., as compared with the previous year. The number of serious offences reported was 202 below the average of the quinquennial period commencing with the year 1909. The number of minor offences reported shows an increase of 176 as compared with 1912 and was 1,500 over the average of the quinquennial period.

The total strength of the Police Force in 1913 was Europeans 175, Indians 472, Chinese 576, making a total of 1,223 (as compared with 1,173 in 1912) exclusive in each case of the five superior officers and staff of clerks and coolies. These figures include police paid for by the Railway and other Government Departments and by private firms. Of this force 13 Europeans, 141 Indians and 48 Chinese were stationed in the New Territories during the year, under an Assistant Superintendent.

The District Watchmen Force, numbering 124, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 6,885, as compared with 6,236 in 1912. Of these 1,369 were committed for criminal offences, against 1,867 in 1912. Of committals for non-criminal offences there were 77 more under the Prepared Opium Ordinance, and 10 less for infringement of sanitary by-laws than in 1912.

The daily average of prisoners confined in the gaol was 702, the average for 1912 being 701, and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·15, which is the average percentage for the last ten years. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The gaol has accommodation for 630 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·22, as compared with 1·40 in 1912 and 1·61 in 1911.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, washing, mat-making, tailoring, oakum-picking, etc. The profit on the work done was $59,007, as against $60,976 in 1912. A sum of $4,652 was received and credited to Government for non-Government work, against $4,636 in 1912.

IX.—VITAL STATISTICS.

(*a.*)—*Population.*

The civil population of the Colony, according to the census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 489,114, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 398,520, of whom 21,470 were non-Chinese.

The distribution of population at the census was as follows:—

Non-Chinese civil community			12,075
Chinese Population.	City of Victoria (including Peak)	219,386	
	Villages of Hong Kong	16,106	
	Kowloon (including New Kowloon)	67,602	
	New Territories	80,622	
	Population afloat	60,948	
Total Chinese population		444,664	
Total Civil population		456,739	

(*b.*)—*Public Health and Sanitation.*

The activity in building operations which was so noticeable a feature of 1912 has continued and the demand for housing accommodation by the Chinese has been greatly in excess of the supply; this indicates that many of those who fled with their families to Hong Kong during 1911 and 1912 have elected to remain in the Colony.

A further influx of Chinese from the neighbouring provinces, estimated at from 50,000 to 60,000, occurred during 1913 as a result of renewed political disturbances, which fortunately, however, were speedily brought to a peaceful termination.

There can be very little doubt that the Chinese quarters generally are still in an overcrowded condition and, although the incidence of plague has been light during the past year, there is reason to fear that the Colony may not be so fortunate during 1914. The relationship between overcrowding and plague was discussed at length in the Report for 1912, and the Sanitary Department are continuing their efforts to keep down the number of rats and to exclude them as far as possible from dwellings, while the scavenging service is also being strengthened with a view to reducing still further the available food supply of the rat population.

The general birth-rate for the year was 11·7 per 1,000 among the Chinese community and 15·8 per 1,000 among the non-Chinese community, as compared with 9·0 and 16·2 during 1912.

The general death-rate for the year was 21·75 per 1,000 among the Chinese community and 10·9 among the non-Chinese community, as compared with 26·33 and 14·5 during 1912.

The number of deaths from malaria (290) shows a considerable decrease on the previous year (432). The deaths of Chinese from this cause in the City of Victoria numbered 110 out of a population of 239,260, or a rate of 0·5 per 1,000 per annum.

The deaths from plague numbered 386, as compared with 1,768 in 1912 and 253 in 1911.

Small-pox deaths numbered 84, all Chinese, with the exception of a British ship's engineer and a West Indian passenger, both of whom are stated to have been vaccinated in infancy. Of the Chinese cases 18 had been vaccinated and of these 11 died; six of the non-vaccinated Chinese cases recovered and 68 died; no information as to vaccination was available in the other 3 deaths.

There were 2,537 deaths from respiratory diseases among the Chinese, as compared with 2,317 in 1912. Pulmonary tuberculosis and phthisis claimed 885 Chinese victims, while other forms of tuberculosis represent an additional 384 deaths, making a total of 1,269, or 15·5 per cent. of the total deaths among that community.

Beri-beri was responsible for 339 deaths, as compared with 231 during 1912 and 320 in 1911. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice when fresh meat or fresh fish cannot be afforded.

The influx of thousands of strangers from the neighbouring provinces is a sufficient explanation of the temporary rise in the number of deaths from this disease.

A tabular statement of the principal causes of death is appended (p. 33).

(c.)—*Climate.*

The mean shade temperature for the year at the Royal Observatory, Kowloon (108 feet above mean sea level), was 71°·9, the same as in 1912 and the ten preceding years. The maximum temperature was 92°·0 on the 20th July and the minumum 44°·0 on the 26th January. The hottest month was July, with a mean temperature of 82°·8, and the coldest January, with a mean temperature of 59°·2.

The temperature at the high levels of the Peak District is from 3° to 8° less than at the Observatory. At Victoria it is practically the same. The rainfall and humidity are considerably greater at the Peak than at Victoria, the Observatory, or Tai Po (New Territories)

The total rainfall for the year was 83·73 inches, as compared with an average of 80·85 inches during the ten preceding years. The wettest month was June with 16·03 inches, the driest November, when 0·74 inch was recorded. The greatest amount of rain which fell on any one day was 4·05 inches on the 19th September while no rain fell on 221 days during the year. The mean relative humidity of the atmosphere for the year was 77% as compared with an average of 78% during the ten preceding years. The average daily amount of sunshine was 5·6 hours, being 46% of the possible duration.

X.—POSTAL SERVICE.

The total revenue from the Postal Service in 1913 was $439,189.37 and the total expenditure $622,587.51 leaving a debit balance of $183,398.14. The total amount of payments during the year exceeded that estimated for by $183,244.51 owing to the claims in respect of mails sent *viâ* Siberia during the years 1910 and 1911 and the share of the Peninsular and Oriental mail subsidy for the fourth quarter of 1912 being settled this year instead of in 1912.

During the period 1st–28th May, statistics, in accordance with the regulations of the Postal Union, were taken by all Union Offices to form the basis for calculating the transit charges payable on international correspondence for the years 1914 to 1919 inclusive.

XI.—GENERAL OBSERVATIONS.

The condition of the neighbouring Province of Kwangtung was in a very unsatisfactory state for the greater part of the year, and this condition reacted upon the Colony. There were constant intrigues against the authority of the central Government and it was necessary to adopt strong measures in order to prevent such intrigues from being fostered in Hong Kong. The financial difficulties in which the Provincial Administration has been involved ever since the Revolution were accentuated by the depreciation of the unsecured note issue unwisely made by the Provincial Government; and this depreciation, coupled with further depreciation of the silver currency caused by continued issues of twenty-cent pieces and the prevalence of brigandage throughout the Province militated against trade. The climax was reached when, in July, Governor-General, Ch'an Kwing-ming proclaimed the independence of the Kwangtung Province. This movement was short lived, for, on the advance of Lung Chai-kwong from Kwangsi on Canton, Ch'an Kwing-ming fled and Lung Chai-kwong restored the authority of the Central Government. Many acts of piracy were committed in the waters of the Canton River delta throughout the year. The s.s. *Tai On*, a steamer flying the British flag, was attacked on the 2nd April. Pirates who had embarked on the vessel in the guise of passengers succeeded in overpowering the officers and securing a large quantity of booty. This outrage led to the enactment of the Protection against Piracy Ordinance referred to under the heading of Legislation, and to a considerable increase in the police whose duty it is to search passengers embarking on river steamers.

The embargo on the export of limestone from the Kwangtung Province was not moved in 1913. Although vigorous representations were made to the Chinese authorities at Canton and Pekin, the question remained unsettled at the close of the year. Very great injury was occasioned to the Green Island Cement Company by its loss of a source of supply which it has enjoyed, by permission of the provincial authorities, for over twenty years.

The boycott of the Low Level Tramway which commenced in November of the preceding year came to an end in February. The Company received a grant from the Government amounting to $45,248 as partial compensation for the losses sustained.

With a view to obtaining a better control over the sale of prepared opium the Government decided to institute a Government monopoly of the sale of the prepared drug in the Colony on the expiration of the lease of the present Opium Farm. Mr. R. O. Hutchison, who was selected to inaugurate the monopoly, proceeded to the Straits Settlements in April to investigate the working of the system in that Colony and in the Federated Malay States.

Vigorous efforts were made in 1913 to check the smuggling of prepared opium out of the Colony to countries which prohibit the importation of the drug. The opium farmer was allowed to renew his lease of the Opium Farm for a further period of one year from the 1st March, 1913, but a special clause was inserted in the agreement reducing the amount of opium to be prepared in the Farm during the year from 900 chests to 540 chests for local consumption and 120 chests for export. The Opium Ordinance was also amended during the year in several important respects, the most noteworthy in this connection being the provision rendering it illegal for any person, other than the farmer or his licensees, to be in possession of a quantity exceeding 5 taels of opium. The results achieved have been satisfactory. Whereas in 1912 a number of ships from Hong Kong were fined heavily in Manila when opium was discovered on board, practically no such fines were reported in 1913. Twenty seizures, comprising 12,974 taels of prepared opium intended for illicit export, were made during the year.

The policy of the Government in controlling the importation and sale of morphine, compounds of opium, and cocaine was vigilantly maintained throughout the year, and the use of these drugs in the Colony is now exclusively confined to medical purposes. 5,584 ounces of morphine and 1,764 ounces of cocaine were seized during the year, all destined for China or neighbouring ports.

On the 15th December, M. Albert Sarraut, Governor-General of Indo-China, arrived in the Colony in the French flagship *Montcalm* on an official visit. He was accompanied by Rear-Admiral de Kerillis and the members of his staff. He was entertained during his stay by the Officer Administering the Government and Vice-Admiral Sir Martyn Jerram, Naval Commander-in-Chief, and left on the 20th December.

Mr. A. M. Thomson performed the duties of the Colonial Secretary during the period from January 1st to July 24th, when Mr. C. Severn was absent on leave, and subsequently from August 21st to December 25th, when Mr. Severn performed the functions of Officer Administering the Government in the absence of Sir F. H. May.

Mr. C. Clementi, the Assistant Colonial Secretary, proceeded to British Guiana to take up the appointment of Government Secretary on the 27th August and the duties of the post were carried out by Mr. R. H. Crofton, the services of Mr. A. G. M. Fletcher, who was appointed Assistant Colonial Secretary *vice* Mr. Clementi, being required in the Treasury.

CLAUD SEVERN,

Colonial Secretary.

4th July, 1914.

DEATHS REGISTERED IN THE COLONY OF HONGKONG DURING 1913.

		Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cholera.	Diarrhœa.	Dysentery.	Plague.	Malarial Fever.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Alcoholism.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis and Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Community	Civil	2	...	2	4	3	2	8	4	6	...	4	...	4	5	2	8	5	1	...	5	22	9	31	26	9	...	3	6	26	...	197
	Army	...	...	1	...	...	...	...	...	2	...	1	...	...	1	...	...	...	...	...	...	2	...	3	3	2	...	...	1	13	1	30
	Navy	...	...	...	...	...	...	...	...	...	...	1	...	...	2	1	...	...	...	...	...	1	...	...	...	...	...	...	...	3	...	8
Chinese Community	Victoria and Peak...	47	3	74	40	47	85	127	284	110	15	52	259	10	116	...	332	73	331	194	33	361	91	756	504	154	11	31	110	903	294	5447
	Harbour	6	...	6	7	27	1	17	18	30	2	3	6	2	48	...	3	60	8	52	1	8	13	72	96	16	6	5	17	81	148	759
	Kowloon	25	1	4	9	2	6	50	37	47	...	20	17	1	31	...	18	114	37	74	8	23	45	289	185	23	11	14	21	199	92	1403
	Shaukiwan	1	...	1	...	5	16	8	42	33	...	...	2	...	4	...	3	39	2	19	3	4	5	12	40	6	...	1	1	72	34	353
	Aberdeen	3	...	2	...	...	...	2	1	53	...	...	...	...	2	...	...	69	2	...	1	1	...	1	56	1	...	...	...	16	4	214
	Stanley	...	...	...	...	...	...	...	...	9	...	...	...	...	...	...	1	2	...	...	...	...	...	...	1	...	...	...	...	9	2	24
Total, 1913		84	4	90	60	84	110	212	386	290	17	1	284	17	209	3	365	362	381	339	51	422	163	1164	911	211	28	54	156	1322	575	8435
„ 1912		565	8	87	21	..	286	181	1768	432	11	64	140	12	157	2	378	355	385	231	43	558	190	1113	738	97	26	23	83	1398	830	8682

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	Colony, &c.	Year.
778	Imperial Institute	1912
779	Barbados	1912-1913
780	British Guiana	,,
781	Entomological Research Committee	,,
782	Southern Nigeria	1912
783	Jamaica	1912-1913
784	British Honduras	1912
785	Northern Nigeria	,,
786	Malta	1912–1913
787	Uganda	,,
788	Mauritius	1912
789	Straits Settlements	,,
790	Trinidad and Tobago	1912–1913
791	East Africa Protectorate	,,
792	Grenada	1912
793	Leeward Islands	1912–1913
794	St. Lucia	,,
795	St. Vincent	,,
796	Bermuda	1912
797	Ceylon	,,
798	Gibraltar	1913
799	St. Helena	,,
800	Turks and Caicos Islands	,,
801	Seychelles	,,
802	Ceylon	,,
803	Bermuda	,,
804	Weihaiwei	,,
805	Gambia	,,
806	Gold Coast	,,
807	Northern Territories, Gold Coast	,,
808	Sierra Leone	,,
809	Bahamas	1913–1914
810	Cayman Islands (Jamaica)	1912–1913
811	Fiji	1913
812	Ashanti	,,
813	Basutoland	1913–1914

MISCELLANEOUS.

No.	Colony, &c.	Subject.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908-9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.

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1914.

COLONIAL REPORTS—ANNUAL.

No. 856.

HONG KONG.

REPORT FOR 1914.

(For Report for 1913 see No. 814.)

Presented to both Houses of Parliament by Command of His Majesty.

September, 1915.

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No. 856.

HONG KONG.

(For Report for 1913 see No. 814.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
13th July, 1915.

SIR,

I have the honour to transmit herewith six copies of the Colonial Secretary's report on the Blue Book for 1914.

I have, etc.,
F. H. MAY,
Governor, &c.

The Right Honourable
A. Bonar Law, M.P.,
etc., etc., etc.

(C193) Wt.36076/850. 1125 & 90. 9.15. B.&F.Ltd. Gp.11/2.

REPORT ON THE BLUE BOOK FOR 1914.

I.—FINANCES

The revenue for the year amounted to $11,007,273, being $1,254,313 more than the estimate and $2,494,964 more than the revenue for the previous year.

Compared with the returns for 1913 there were increases under every head with the exception of Light Dues, Post Office, Miscellaneous Receipts, and Land Sales. "Interest" remained at nil.

The expenditure amounted to a total of $10,756,225, inclusive of a sum of $1,639,595 spent on Public Works Extraordinary.

The detailed figures for 1914 are set out in the following statements:—

Heads of Revenue.

	$
Light Dues	90,397.87
Light Dues, Special Assessment	103,667.97
Licences and Internal Revenue not otherwise specified	7,979,439.51
Fees of Court or Office, Payments for Specific purposes, and Reimbursements in Aid ..	727,777.59
Post Office	398,426.38
Kowloon-Canton Railway	381,313.28
Rent of Government Property, Land and Houses	936,648.02
Interest	....
Miscellaneous Receipts	124,416.04
TOTAL (Ordinary), ...	10,742,086.66
Land Sales (Premia on New Leases)	265,186.43
TOTAL	$11,007,273.09

Expenditure.

	$
Governor	85,986.29
Colonial Secretary's Department and Legislature	70,894.40
Secretariat for Chinese Affairs	51,178.04
Audit Department	32,697.22
Treasury	66,943.60
Harbour Master's Department	176,287.98
Imports and Exports Department	991,096.46
Royal Observatory	25,398.31
Miscellaneous Services	945,131.62
Judicial and Legal Departments	259,181.94
Police and Prison Departments	933,156.52
Medical Departments	230,896.86
Sanitary Department	353,521.53
Botanical and Forestry Department	49,076.14
Education	292,820.83
Military Expenditure	1,886,346.31
Public Works Department	414,510.57
Do. Recurrent	567,100.18
Do. Extraordinary	1,639,594.72
Post Office	371,646.06
Kowloon-Canton Railway	274,366.39
Charge on account of Public Debt	705,808.50
Pensions	305,030.61
Charitable Services	27,553.74
TOTAL	$10,756,224.82

The surplus on the year's working was $251,048, and the balance of assets and liabilities showed on the 31st December a sum of $2,910,474 in the Colony's favour.

The following is a statement of the revenue and expenditure of the Colony for the five years 1910–1914 :—

	Revenue.	*Expenditure.*
	$	$
1910	6,960,861	6,907,113
1911	7,497,231	7,077,177
1912	8,180,694	7,202,553
1913	8,512,308	8,658,012
1914	11,007,273	10,756,225

The capital expenditure on the British section of the Kowloon-Canton Railway during 1914 was $574,429, chiefly in connection with the erection of a terminal station and purchase of rails, locomotives, and rolling stock. The total expenditure on this account amounted at the end of the year to a sum of $14,095,661.

The amount of the consolidated loan stands at £1,485,732, and in addition the advances by, and drafts on, the Crown Agents for Railway Construction amounted at the end of the year to £109,404. Against these items there is at credit of the Sinking Fund a sum of £186,294 and there is a balance of £128,479 unpaid in respect of the loan to the late Viceroy of Wuchang.

No new taxation was imposed during the year. The farm system in connection with Opium revenue was abolished from 1st March and direct Government control substituted therefor.

For the year commencing 1st July, 1914, a new valuation was made of the whole Colony, with the exception of some of the outlying small Chinese villages.

Increases.

The City of Victoria, $170,833 or 16·69 per cent.
The Hill District, $23,700 or 7·93 per cent.
Shaukiwan, Saiwanho, and Quarry Bay, $6,992 or 1·88 per cent.
Hong Kong Villages, $31,501 or 23·61 per cent.
Yaumati, $63,275 or 24·11 per cent.
Mongkoktsui, $39,985 or 25·51 per cent.
Hung Hom and Hok Un, $3,676 or 1·24 per cent.
Kowloon Point, $76,550 or 15·02 per cent.
New Kowloon, $13,934 or 15·80 per cent.
Kowloon Villages, $5,845 or 6·92 per cent.

The rateable value of the whole Colony amounted to $14,410,103, being an increase of $1,974,291 or equal to 15·87 per cent. over the value of the previous year.

For the period 1905–1914 the assessment of the whole Colony has risen from $10,511,163 to $14,410,103, an increase in value of 37·09 per cent.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows :—

Hong Kong and Shanghai Bank	$23,482,903
Chartered Bank of India, Australia, and China	6,071,633
Mercantile Bank of India	1,308,191
	$30,862,727

The currency of the Colony consists, in addition to the notes of these banks, of British, Hong Kong, and Mexican dollars and of subsidiary coin.

Foreign note circulation has wholly ceased.

The rate of discount on Hong Kong subsidiary coin, as compared with notes, varied during 1914 between the following limits :—

50	cent pieces,	1¼	per cent. to	13¾	per cent.
20	,,	2	,, ,,	19¼	,,
10	,,	2½	,, ,,	19⅝	,,
5	,,	2	,, ,,	14½	,,
Copper coin,		par	,,	11	,,

Compared however with the Mexican dollar which is the standard of the Colony the variations were as follows :—

50	cent pieces	1¼	per cent. to	3¼	per cent.
20	,,	2	,, ,,	8¾	,,
10	,,	2½	,, ,,	9⅛	,,
5	,,	2	,, ,,	4	,,
Copper coin,		par.			

It will be seen therefore that Bank notes were at a premium varying from par (in January) to 10½ per cent. (in December).

The total issue of these coins, less those demonetized, now amounts to $31,392,720 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1914 ten cent pieces of the face value of $5,000,000 were shipped to England for purposes of demonetization. The discount which has prevailed since 1905 may be attributed to the immense quantity of similar coin which has latterly been minted at Canton as well as to the amount of Hong Kong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hong Kong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetizing all its subsidiary coin received as revenue. This policy has been continuously followed since except during a brief period in 1911. Coin to the face value of $12,607,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of about $44,000,000. It is thought that half of that amount has dropped out of circulation.

Ordinance No. 15 of 1913, which was passed to prohibit the circulation of foreign silver coin, came into force on 1st March.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a.*)—SHIPPING AND TRADE.

The total of the shipping entering and clearing at ports in the Colony during the year 1914 amounted to 517,439 vessels, of 36,756,951 tons, which, compared with the figures for 1913, shows an increase of 27,211 vessels, with a decrease of 986,031 net register tons.

Of the above, 51,214 vessels, of 25,279,624 tons, were engaged in foreign trade, as compared with 47,520 vessels, of 25,821,652 tons, in 1913, and were distributed as follows :—

	1913. Numbers.	1914. Numbers.	1913. Tonnage.	1914. Tonnage.
British ocean-going ships ..	8·8 %	8·3 %	32·7 %	33·0 %
Foreign ocean-going ships ..	9·9	8·2	36·0	33·9
British river steamers ..	14·0	13·0	15·8	15·9
Foreign river steamers ..	3·8	3·5	3·6	3·6
Steam-launches (under 60 tons)	9·5	13·4	0·7	1·0
Trading junks ..	54·0	53·6	11·2	12·6
	100·0	100·0	100·0	100·0

N.B.—The movements of fishing junks are not included in the above figures.

Of vessels of European construction, 4,222 ocean steamers, 4 sailing ships, 4,213 river steamers, and 3,403 steam-launches entered during the year, giving a daily average entry of 32·4 ships, as compared with 29·9 in 1913, and 28·7 in 1912.

The average tonnage of individual ocean vessels entering the port has increased from 2,577·5 tons to 2,612·1 tons. That of British ships has decreased from 2,742 tons to 2,636·3 tons, while that of foreign ships has increased from 2,453·7 tons to 2,590·2 tons.

During the past twenty years, the average tonnage of ocean-going vessels has increased from 1,327·7 tons to 2,003 tons.

The average tonnage of river steamers entered during the year has decreased from 598·6 tons to 582·1 tons. That of British river steamers has decreased from 616·2 tons to 600·4 tons, and that of foreign river steamers has decreased from 533·2 tons to 513·5 tons.

A comparison between the years 1913 and 1914 shows an increase in British ocean-going shipping of 55 ships, or 1·3 per cent., and a decrease of 127,841 tons, or 1·5 per cent. This is due to the fact that so many large ships were taken off the run, being employed as transports, etc., since the war began.

British river steamers have increased by 19 ships, or 0·3 per cent., and decreased by 87,923 tons, or 2·1 per cent. This is explained by a reduction in tonnage of the large vessels on the Canton run, by reason of the amendments to the measurement Regulations.

Foreign ocean-going vessels decreased by 480 ships of 680,413 tons, or 10·2 per cent. in numbers and 7·3 per cent. in tonnage. This may be ascribed almost entirely to the disappearance of the German and Austrian flags since the commencement of the war. But this decrease does not approach that which should result from that disappearance, (540 ships of 1,069,142 tons is the net decrease under those two flags since the war broke out), the balance being adjusted by large increases under the Japanese and Norwegian flags.

Foreign river steamers are responsible for a decrease of 3 ships of 36,058 tons, or 0·16 per cent. in numbers and 3·8 per cent. in tonnage. This is due to a slight falling off in the river passenger traffic since August.

Steam launches in foreign trade show the enormous increase of 2,282 ships of 62,980 tons, or 50·2 per cent. in numbers and 33·3 per cent. in tonnage. This may be ascribed to the fact, that, in former years, as was discovered about a year ago, many of the launches on the run to the Eastward failed to report their arrivals or departures, but, owing to better supervision, this has now ceased.

Junks in foreign trade show an increase of 1,821 vessels of 327,227 tons or 7·1 per cent. in numbers and 11·3 per cent. in tonnage. The figures given do not show nearly all the movements of the trading junks, as will appear later.

In local trade (*i.e.*, trade between places within the waters of the Colony) there appears an increase under steam launches of 32,736 vessels, or 5·2 per cent., and a decrease of 441,148 tons, or 4·1 per cent., while in junks there is an increase of 1,781 vessels or 6·7 per cent. with a decrease of 2,855 tons, or 0·2 per cent. The causes of this are identical with those mentioned in the case of foreign trade junks, and the effect is well shown by the fact that, since the outbreak of the war, the reported arrivals and departures of local trade junks have increased by well over 100 per cent. compared with the corresponding period of 1913.

The above figures do not, however, show the real state of affairs, inasmuch that many conditions have materially altered since the outbreak of war, early in August. In the remarks which follow, the year is divided into two parts—the first seven months, before the war, and the last five months, since war was declared,—and confined to the ocean-going shipping, which alone was seriously affected by the war.

First Seven Months.—A continuation, more especially in British vessels, of the steady increase which has been noted during past years, amounting, in the case of British ships, to 206 ships of 408,109 tons, or 8·5 per cent. in numbers and 8·4 per cent. in tonnage, compared with 6·4 per cent. and 8·6 per cent. respectively in 1913.

Foreign ocean-going vessels increased by 119 ships of 624,458 tons or 4·4 per cent. in numbers, and 11·9 per cent. in tonnage, compared with 7·1 per cent. and 7·9 per cent. respectively in 1913.

The average tonnage of the British ships entering decreased from 1,995·2 to 1,992·4, while that of foreigners increased from 1,948·9 to 2,080.9.

A large decrease shown in the junk trade, which amounts to 1,731 vessels (8·5 per cent.) of 28,122 tons (1·3 per cent.), is, for reasons which will appear later, not borne out by facts, but is really due to the increasing habit on the part of the junk masters of failing to report themselves.

Last Five Months.—The effect of the war in the ocean trade of the port is apparent. In British ocean-going vessels there is a decrease of 152 ships of 537,790 tons, or 8·5 per cent. in numbers and 14·9 per cent. in tonnage.

Foreign ocean-going shipping decreased by 601 ships of 1,306,957 tons, or 30·2 per cent. in numbers and 32·3 per cent. in tonnage. Of this, the practical extinction of German and Austrian tonnage is responsible for 27·2 per cent. in numbers and 26·4 per cent. in tonnage, while the remaining 3 per cent. and 5·9 per cent. represent the net result of increases and decreases under other flags. Here are found increases under Norwegian (17·4 per cent. in numbers and 22·6 per cent. in tonnage, compared with the figures for the corresponding period of 1913), and Chinese (4·5 per cent. in numbers and in tonnage), while under the Dutch flag an increase of 8·9 per cent. in tonnage is combined with a decrease of 7·2 per cent. in numbers. Decreases are shown under Russian (64·7 per cent. in numbers and 68·3 per cent. in tonnage), Portuguese (30·5 per cent. in numbers and 20·3 per cent. in tonnage), United States (24·1 per cent. in numbers and 22·2 per cent. in tonnage), Danish (20 per cent. in numbers and 11·1 per cent. in tonnage. French shipping remains constant in numbers but decreases by 25·1 per cent. in tonnage, Swedish, while increasing by 20 per cent. in numbers, declines by 38·9 per cent. in tonnage, and Italian shipping disappears altogether.

The average tonnage of foreign ships entering has decreased to 1,977.

In the junk trade there is the enormous increase of 3,552 vessels of 355,349 tons, or 54·2 per cent. in numbers and 46·1 per cent. in tonnage. It is obvious that no such phenomenal alteration can have taken place in the trade since the outbreak of war, but the explanation is simple. Since war commenced, no vessel can enter or leave the harbour without reporting herself, by reason of the Examination service, so that, of the junks trading with Victoria Harbour, which means about 90 per cent. of those trading with the Colony, we are now able to account for all, which was very obviously not the case before.

The actual numbers of individual ocean-going vessels of European construction entering during 1914 was 825, of which 385 were British and 440 were foreign. In 1913 the corresponding figures were 791,361 British and 430 foreign.

These 825 ships measured 2,155,018 tons. They entered 4,226 times, and gave a collective tonnage of 8,468,609 tons. Thus, 34 more ships entered 221 less times, and gave a collective tonnage reduced by 405,197 tons, an average of 1,833·4 tons per entry.

The 385 British ships carried 3,766 British officers and 12 foreign officers, the latter consisting of 5 U.S.A., 2 Dutch, 2 Danish, 2 German, and 1 Norwegian.

Thus, the proportion of foreign officers in British ships was 0·32 per cent. comprising 5 nationalities, an increase of 0·02 per cent. with an increase in the number of officers and of ships.

The 440 foreign ships carried 3,082 officers, of whom 94 were British, as follows:—

	1913.	1914.
In Chinese ships	94	84
,, Japanese ships	10	6
,, United States ships	4	4
,, French ships	2	0
	110	94

Thus, 3·05 per cent. of the officers serving in foreign ships were of British nationality, with an increase in number of officers and of ships.

The nationality of the crews in British and in foreign ships was as follows :—

	VESSELS.		BRITISH CREW.		U.S.A. AND EUROPEANS.		ASIATICS.	
	1913.	1914.	1913.	1914.	1913.	1914.	1913.	1914.
British ..	361	385	24,728	24,264	1,022	866	134,220	135,214
Foreign ..	430	440	1,430	1,571	31,447	24,428	126,923	118,268
Total ..	791	825	26,158	25,835	32,469	25,294	261,143	253,482

TRADE.

It is once more necessary to call attention to the extreme inaccuracy of the reports by masters of ships of cargo carried. There being no Customs, or other staff, to compile accurate statistics, the attached figures are dependent upon these reports, although in some cases more reliable information was obtainable.

IMPORTS.

The amount reported was 4,727,036 tons compared with 4,956,125 tons in 1913, a decrease of 229,089 tons, or 4·6 per cent., which, considering the circumstances attending the last five months of the year under review,—the total withdrawal from the run of all vessels under the German and Austrian flags ; the loss (or, at least, the non-delivery) of the cargoes consigned to the Colony in many of such vessels ; the risks run by neutral and allied shipping during the early months of the war by reason of the German cruisers then at large ; and the general sense of insecurity felt by both shippers and importers,—may be considered remarkably small.

Increases are shown under the headings Beans, Coal, Cotton, Flour, Hemp, Bulk Kerosene, and Liquid Fuel, while there are decreases reported in Case Oil, Rattans, Rice, Timber, and General.

Coal.—There was an increase of 171,664 tons, or 15·1 per cent., the increase being uniformly spread over the whole year. There was a very large increase in the imports of Welsh coal, which, however, bear a very small proportion to the total imports. Japanese coal fell off and Chinese increased, while a small quantity of Australian coal found its way to the Colony in one of the prizes.

Cotton, Yarn, and Piece Goods.—Here is an increase of 3,541 tons, or 8·7 per cent. This is not a real increase, but is only apparent, being due to the reported falling off in 1913 having been greatly in excess of facts. As a matter of fact, 1914 proved a bad year for this trade in the Colony, and for staple goods there was so little demand that the imports declined. The causes which led to this were, in the early part of the year, a heavy fall in prices and in exchange. In May and June, however, trade revived, and there seemed every prospect of a sustained improvement, when the floods inland caused a severe set-back. Then came the war, which had a most deleterious effect on the trade inland, and increased freights acted as a further deterrent to importers. Added to these, the general financial state of China throughout the year has been far from encouraging.

Flour.—There is an increase reported of 12,504 tons or 18·4 per cent.

As in Cotton, this increase is due to errors and omissions in the shipmasters' reports in 1913. From enquiries made, there was actually a falling off of 16,713 tons, or 15·4 per cent., the reasons for which are directly due to the war.

It appears that the bulk of the imports arrive here in the later months of the year, shipments in large quantities commencing from America in August. This year, on account of the war, the demand for flour at the seat of the war was far above the average, with the result that prices soared to unprecedented heights. One brand, whose usual price is $2.30 per bag, now fetches $4.10. At the same time, freight doubled. Before the outbreak of war, imports were above the average.

Hemp.—Here is shown an increase of 3,010 tons, or 17·3 per cent. It is possible that these figures approach the truth, as, during the first seven months of the year, conditions were very favourable to the trade, prices and freights ruling low, while in 1913 prices were very high. During these months before the war, the figures show an increase of 7,011 tons, or 73·8 per cent., while during the last five months a decrease of 4,001 tons, or 51·3 per cent. appears. This is confirmed by the fact that on the outbreak of war the market in Manila collapsed, and all business came to a standstill. Later, however, matters improved, and by the end of the year the market had practically resumed normal conditions.

Kerosene Oil.—Bulk Oil shows an increase of 21,328 tons, or 38 per cent., while Case Oil shows a decrease of 4,422 tons, or 9 per cent.

As explained last year, there is not very much significance in increases or decreases in either type of oil, so long as there is no large fluctuation in the joint total. During 1914, the market in both case and bulk oil showed a satisfactory rise, demand slightly increasing, with fair prices and freights, until after the war commenced, when sales fell 50 per cent., and up to the end of the year there was no sign of appreciable recovery. Freights rose, after the outbreak of war, from $4 to $10 per ton from the American coast, on account of war risks and the increased demand in Europe.

It is somewhat remarkable to note that, in spite of the above facts, the imports of case oil show a falling off, before the war, of 12,549 tons, or 38·4 per cent., while since the beginning of August there appears an increase of 8,127 tons, or 39·1 per cent. None arrived, however, after October, and that which came in that month was probably on the high seas at the time war broke out.

Stocks at the end of the year show a slight increase over those in January.

Liquid Fuel.—There is a very large increase of 23,263 tons, or 197 per cent., which appears to be borne out by facts. It is explained by the great increase in numbers of oil-burning steamers bunkering in Hong Kong.

Rattans.—The reports here show a decrease of 2,100 tons, or 63·6 per cent., the greater part of which appears to be due to failure on the part of shipmasters to report this item of cargo. As a matter of fact, the market was normal up to August, after which it declined, but only slightly.

Rice.—The figures received indicate a decrease of 102,085 tons, or 13·8 per cent., but the imports were really about normal. Shipmasters failed in the case of this cargo also to report regularly. Though the Chinese crops were good, there was a set-back on account of the floods in the summer, and, Saigon and Siam rice being plentiful and cheap, there were large imports. The war does not appear to have affected the trade in any way.

Timber.—Here the imports for 1914 are less by 17,545 tons, or 21 per cent., than those reported in 1913. This again shows the tendency to lump cargo together as "General," for actually, about 20 per cent. more timber was imported during 1914 than during 1913. There was a slight reduction in imports of teak, which, however, was more than made up by those of Borneo hardwoods and American pine and deals.

Opium.—The trade in certified Indian opium is now confined to the gradual clearance of the opium already imported from India into Hongkong, Shanghai, and Treaty ports. The last shipment of certified opium from India arrived in Hongkong from Bombay in January, 1914; other imports have come from Shanghai, Foochow, Swatow, and Amoy. The total imports and exports of certified Indian opium, were :—

	Malwa.	Patna.	Benares.	Total.
	Chests.	*Chests.*	*Chests.*	*Chests.*
Imports.....	834½	346	43	1,223½
Exports.....	2,032½	797	233	3,062½

Six hundred and seventy chests of Persian opium were imported and 1,153 exported, the destination being either London or Formosa. 1,166 chests of uncertified Indian opium were imported from India, of which 696 chests were exported to Macao. The remainder was for the use of the Government Opium Monopoly.

General.—There is a decrease of 299,212 tons, or 11·6 per cent., which is obviously due directly to the war. During the first seven months of the year there is shown an increase of 61,838 tons, or 5 per cent., against a decrease of 361,050 tons, or 29 per cent., for the last five months, as compared with the corresponding periods of 1913.

EXPORTS.

The decrease is 295,398 tons, or 11 per cent., which may be ascribed principally to the war, although there was a general falling off in exports throughout the year. The figures for the first seven months show a decrease, compared with those for the corresponding period of 1913, of 45,332 tons, or 3·4 per cent., while those for the last five months declined by 250,066 tons, or 18·8 per cent.

Transit Cargo.—Here, again, the effect of the war is very marked. For the whole year there appears a decrease of 513,725 tons, or 10·4 per cent. For the first seven months, however, there is shown an increase of 301,699 tons, or 10·7 per cent., which appears to be very largely due to cargo carried through in German bottoms, where there is shown an increase over the 1913 transit cargo of 214,417 tons, or 51 per cent. The last five months are responsible for the decrease of 815,424 tons, or 16·5 per cent.

Emigration and Immigration.

Seventy-six thousand two hundred and ninety-six (76,296) emigrants left Hongkong for various places during the year 1914 (142,759 in 1913).

Of these, 49,780 were carried in British ships, and 26,516 in foreign ships.

One hundred and sixty-eight thousand eight hundred and twenty-seven (168,827) returning emigrants are reported to have been brought to Hongkong from the several places to which they had emigrated either from this Colony or from coast ports, as against 166,921 in 1913. Of these 129,164 arrived in British ships, and 39,663 in foreign ships.

The decrease is due first to the prohibition of deck passenger traffic by Singapore in August on account of plague and secondly is due to the war and the repatriation of coolies from Singapore, no new coolies being permitted to land.

(*b*).—INDUSTRIES.

(i.)—*Under European Management.*

Engineering and Shipbuilding.—This industry improved as regards tonnage during the year under review.

Sugar Refineries.—Prices ruled low during the first seven months of 1914, with keen competition from Japanese and Java sugars. On the outbreak of war the Home Government bought largely in Java, and prices were forced up there by over 50 per cent. This, of course, reacted on refineds; with the high prices and reduced supplies thus resulting business during the latter part of the year was considerably below normal but at good profits for the holders of early purchased raws. Demand has been further curtailed by financial difficulties due to the falling off in China's export trade, but on the whole the output of the Colony's refineries was well maintained.

***Cotton Spinning.*—Owing to the** difficulty of securing native labour, the enhanced cost of production, and the disadvantages in the matter of Chinese fiscal charges as compared with Shanghai, the shareholders of the local mill decided to transfer the machinery and undertaking to Shanghai. Work was therefore stopped at the end of October.

The year 1914 has been most unsatisfactory for all engaged in the cotton yarn trade. The heavy fall in cotton values in the early part of the year demoralized the market for a while, but matters were improving when the outbreak of the European war in August brought about a further heavy decline in prices and also great financial stringency amongst the Chinese. Dealers were unable to fulfil their obligations, and the burden has therefore fallen upon the importers.

Rope Manufacturing.—For the first half of 1914 prices of Manila hemp gradually declined until the outbreak of war in August, when the market there collapsed entirely and all business was paralysed, quotations becoming quite nominal. Towards the end of the year as the freight market began to settle down and tonnage became available a good demand sprang up and prices for medium and lower grades rose again closing for the end of 1914 at about 25 per cent. below the high prices ruling at the corresponding date in 1913.

Business in Manila cordage fell off in some quarters owing to the war but on the whole this was more than made up for by the increased demand from transports, etc., the total turnover of the factory comparing very favourably with that of any previous year.

Cement.—The demand throughout the Far East was fairly well maintained during 1914 although enquiries from the Philippines were less than in previous years owing to the decrease in Government work.

At the outbreak of war shipments from Europe were delayed, and although the volume of business decreased, the demand on Eastern manufacturers remained normal.

The Green Island Cement Company, Limited, is still suffering from the difficulty which exists in obtaining Kwangtung limestone.

Local selling prices have dropped to meet the competition of inferior Chinese cement, and European, Japanese, and Haiphong brands cannot be laid down here at remunerative rates.

Unless shipments of metal and other building materials are interfered with by the war, 1915 should be a good year for Far Eastern cement concerns, as supplies of Belgian and other Continental cement will probably be unobtainable.

(ii.)—*Under Chinese Management.*

Tin.—The tin business in Hongkong is annually worth some 12 millions. All tin comes from Yunnan. There are no smelteries in the Colony but there are six refineries, where the Yunnan pig tin is refined and loses some 2 to 3 per cent. in the process.

	Imports.	*Exports.*
1913	6,153 Tons.	5,734 Tons.
1914	6,741 Tons.	5,267 Tons.

The imports are all in Yunnan unrefined tin and the exports in refined tin.

Generally speaking, about 334 tons are exported to Japan yearly, and 1,336 tons to Shanghai. The balance goes to Europe and America. The war affected the trade last year as little tin went to Europe.

Rattan and Fibre Furniture.—The chair export business amounted only to about half of that done last year. Sea grass export was about $1,000,000 less, while hemp export showed a decided improvement.

Native Tobacco.—The output of last year has been well maintained and its use for the manufacture of cigarettes has increased 20 to 30 per cent.

Tinned Goods.—The market has been very poor and business has fallen off 25 per cent.

Samshu.—The Superintendent of Imports and Exports reports that the trade remained steady during the first half of the year but during the second half there was a large falling off in the amount of spirit both imported and locally distilled.

Vinegar.—Merchants report that the business has remained much the same as last year.

Knitted Vests and Socks.—The market has been poor and business has gone down about one third. Japanese competition continues very keen.

Leather and Hides.—The price has advanced considerably and good business has been done but the supply is short.

Ginger and Preserves.—Owing to the European war this business, on which the Germans had a strong hold, has gone off 30 per cent.

Soy.—Exporters again report a poor market. Business has been reduced by 40 per cent.

Paper.—Business shows a further decrease of 20 per cent.

Vermilion.—The increase last year has been arrested by reason of the European war and business has fallen off 25 per cent.

Lard.—This trade, which made much good progress during 1913, has since the commencement of the war fallen off 30 per cent.

(*c.*)—FISHERIES.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—FORESTRY, AGRICULTURE, AND BOTANY.

On the bare hills north of Samshuipo 28,000 pine tree seedlings, one year old, were planted, and in the same locality 7,000 pits were sown with pine tree seeds.

In the Tytam catchment area 15,000 pits were sown with pine tree seeds and at Aberdeen 10,000 pits.

On grassy hills west of the south face of the Beacon Hill tunnel 185 lb. of pine tree seeds were sown and 235 lb. on similar hills in the Kanghau valley.

About 70,000 pine tree seedlings were raised for planting in 1915.

Three thousand broad-leaved trees were planted in the Tytam catchment area and 2,000 in the Kowloon catchment area.

Over 400 Poincianas were planted in various places in Hongkong and Kowloon.

Between 800 and 900 flowering trees and shrubs were planted in conspicuous places in Hongkong in addition to the Poincianas.

Upwards of 2,000 trees were planted along the Castle Peak-Shataukok Road. They consisted of Poincianas, Albizzia, Camphor, and Ficus.

Alongside the road leading from Sheung Shui Station to the Golf Course 190 trees were planted consisting of Camphor, Aleurites, and Cratæva.

On the hills in the vicinity of the Fanling Golf Course over 2,200 flowering trees and shrubs were planted.

At U Kau Tang 110 flowering trees were put in.

Young pine trees from broadcast sowings on the hills near Ngauchiwan were thinned out to the extent of 45,000.

Creepers damaging trees in plantations on Mt. Victoria, Mt. Gough, Mt. Nicholson, Mt. Kellett and Mt. Parker were cut.

A large felling of pine and Tristania trees was made above the Pokfulam Road in order to enable new filter beds to be constructed by the Public Works Department.

Large fellings were also made on Farm Lots purchased by the Dairy Farm Co. for the cultivation of Guinea Grass.

About 9,000,000 square feet were cleared of undergrowth at the expense of the Government in connexion with anti-malarial measures. The Military Authorities paid for the clearing of 2,250,000 square feet and private individuals 288,000 square feet in addition.

In connexion with survey work about 1,780,000 square feet were cleared.

At the beginning of the year pine trees on the south side of the hills were attacked by caterpillars and about 20 tons of these insects were collected and destroyed. This is the worst visitation of this pest since 1894.

An economic garden was started near Fanling in the autumn and trials are being carried out with vegetables and fruits with a view to induce the natives to take up their cultivation.

The first rice crop was above the average and the second was even better. Difficulty was experienced in harvesting the second crop owing to the wet weather which prevailed at the time.

Lichees were below the average and peanuts were good.

The autumn was the wettest on record according to statistics extending over 23 years kept by the Botanical and Forestry Department, rain falling on no less than 45 days, the average for the same period being 24 days.

In April a trip was made to the North River and several interesting additions to the flora of Kwangtung were made.

(e.)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown land and pier rights for 1914 (including $1,429 for boundary stones) was $245,538 a decrease of $46,747 on the preceding year but $38,679 more than the average for the past five years. The principal items in the Island were $37,500 for Marine Lot 321, having an area of nearly three acres situate at North Point, purchased by the Hongkong Electric Company, Limited, and $12,900 for Inland Lot No. 2091 situate at Kennedy Town, having an area of nearly an acre.

In Kowloon, Inland Lot No. 1286, being an unreclaimed area of 13,862 square feet situate at Yaumati, fetched $41,586 or $3 per square foot and Kowloon Inland Lot 1294, a building site adjoining Jordan and Nathan Roads having an area of 29,570 sq. ft., fetched $29,620, or slightly over $1 per square foot.

In the New Territories the net amount received for premium and boundary stones was $19,731, being $6,815 more than in the previous year.

The number of deeds relating to property registered in the Land Office during the year was nearly 400 less than in the previous year, the chief falling off being in the case of assignments which occurred during the latter part of the year, the number of lots changing hands being 998 as against 1,455 the previous year.

In the New Territories the demand for land continues normal.

III.—LEGISLATION.

Thirty-three Ordinances were passed during 1914, of which 19 were amendments of previous Ordinances.

The most important matters with which these Ordinances dealt were the Opium Ordinance (No. 4), by which the Government assumed the entire control and management of the opium business hitherto leased out to private individuals; the Cremation Ordinance (No. 5), which provides for the regulation of the burning of human remains and enables crematoria to be established; the Seditious Publications Ordinance (No. 6); the Public Lighting Ordinance (No. 13), which provides for the public lighting of the Colony and for the protection of the appliances used in connection therewith; the Obscene Publications Ordinance (No. 15); the Dentistry Ordinance (No. 16), which endeavours to protect the public in some measure against the practice of dentistry by incompetent and unqualified persons; the Wild Bird and Game Preservation Ordinance (No. 18); the Piracy Prevention Ordinance (No. 23), the Special Police Reserve Ordinance (No. 27), which provides for the formation of a Special Police Reserve; and the following Ordinances necessitated by the outbreak of the war with Germany and Austria-Hungary:—Trading with the Enemy (No. 21), Alien Enemies (Winding up) Amendment (Nos. 28 and 30), and the Defences (Sketching Prevention) Amendment (No. 32).

The history of the local policy with regard to enemy firms may be divided into two stages, one up to the 27th October, 1914, and the other from that date up to the present time.

In the earlier stage the foundation of the policy adopted was the desire to prevent the sending of supplies or money to enemy territory and generally to prevent trading with the enemy. In pursuance of this policy two measures were adopted which may be roughly stated as follows:—

(*a*) Local firms which were branches of firms in enemy territory were given permission to carry out existing contracts as far as possible, subject to restrictions designed to prevent the remitting of money to enemy territory.

(*b*) Local enemy subjects were given permission to engage in fresh trade on their own account subject to similar restrictions designed for the same object.

The view which was taken of the legal position of local import and export firms which were branches of firms in enemy territory was that trading with them or by them involved trading with persons in enemy territory and so was illegal unless licensed. The policy above outlined received the approval of the Secretary of State for the Colonies and was given legal sanction in the Trading with the Enemy Ordinance.

Towards the end of October, 1914, it was decided, with the approval of the Secretary of State for the Colonies, that all enemy subjects in Hongkong should be either expelled or interned. Although this policy was not directed against legitimate trading by enemy subjects but was based on other grounds, it necessarily involved the stoppage of the trade of enemy subjects in the Colony and gave rise to the measures taken to wind up their local affairs. These measures and their objects appear from the two winding-up Ordinances.

IV.—EDUCATION.

The registration of the private schools under the Education Ordinance proceeded satisfactorily. The Ordinance has not been applied in the New Territories, where, instead, small subsidies were granted to 50 of the most promising schools.

A new edition of the Grant Code was published in 1914. This was necessary in order to bring it into line with the Education Ordinance.

The Code now recognises the principle that all teachers in schools must be either Certificated Teachers or Students (passed or present) from the Normal Classes of the Technical Institute. The Upper Classes of English Schools are encouraged by Grants to take the Matriculation and Junior Local Examinations of the Hongkong University.

The total number of pupils at schools in the Colony, excluding the Police School and the uncontrolled schools in the New Territories, are :—

	Number of Pupils in		Total.
	English Schools.	Vernacular Schools.	
Government Schools	2,076	85	2,161
Military Schools	116	—	116
Excluded Private Schools	580	—	580
Grant Schools	2,137	2,192	4,329
Controlled Private Schools ..	2,075	8,790	10,865
Controlled Private Schools, New Territories	—	852	852
Technical Institute	478	—	478
Total	7,462	11,919	19,381

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese and four *District Schools*, its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance. *Kowloon School* and *Victoria School* for children of British parentage have an average attendance of about 120. There is also a small school for the children of the Peak District. The *Diocesan School* and *Orphanage*, *St. Joseph's College*, and the *Ellis Kadoorie School* are important boys' schools. The *Italian*, *French*, and *St. Mary's Convents*, and the *Diocesan Girls' School* are the most important of the English Grant Schools.

The Hongkong Technical Institute affords an opportunity for higher education to students who have left school. Instruction was given in 1914 in Mathematics, Machine Drawing, and Building Construction; in Chemistry, Physics, and Electricity; in Commercial English, Logic, and Political Economy; in French, Shorthand, and Book-keeping. Classes in Sanitation (Public Hygiene) and First Aid to the Injured are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London, and of the St. John's Ambulance Association respectively. Classes for men and women teachers are a feature of the Institute.

The Lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

While the Technical Institute has suffered in several directions from the activity of the University, it continues to perform many useful functions of its own. The Normal Classes for men and women, the Shorthand, Mathematics, and English Classes were all well attended, as also a "First Aid" Class.

The Hongkong University is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

At the end of the year the number of students was 147, 79 of whom were taking Engineering, 36 Medicine, and 32 Arts. While most of the students have studied in Hongkong schools a number come from Canton, the coast ports of China, and the Straits Settlements.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,000 per annum; whereas at Hongkong the expenses of the University are $540 per annum for board and tuition, or, including extras, from $600 to $650.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hongkong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connexion it is interesting to note that the Chinese residents of Hongkong recently subscribed a large sum for levelling a new playing field and that the work has just been completed.

The University is composed of three Faculties: 1.—Medical, which offers unexampled facilities for the practice of medicine. The anatomical laboratories were the gift of a Cantonese gentleman (Mr. Ng Li-hing). There is a large staff of instructors in medicine: all the principal doctors of Hongkong give lectures at the University. 2.—Arts. The establishment of the Faculty was largely due to the munificence of a Chinese gentleman in the Straits Settlements (Mr. Cheung Pat-sze). Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. The course of instruction comprises English and Chinese literature, political and constitutional history, political economy, jurisprudence, and international and commercial law.

The largest of the Faculties is that of Engineering, to which nearly two-thirds of the students belong. It is divided into three branches: Civil, Electrical, and Mechanical. The University has an exceptionally large equipment of machinery and apparatus, and has fourteen laboratories and workshops in working order. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management.

The University insists upon all students having a proper knowledge of their own language, although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese Professors, both Hanlin graduates, give lectures on the classics and history of China.

V.—PUBLIC WORKS.

The New Magistracy was practically completed at the close of the year. The building, which is four-storeyed, is situated near the junction of Arbuthnot Road and Wyndham Street and contains, in the basement, prisoners' waiting room, strong-rooms, store-rooms, cells, and servants' quarters; on the ground floor, two Police Courts, rooms for Magistrates and their clerks and for witnesses; on the first floor, Chief Clerk's offices and quarters for Indian Police Constables; on the second floor, two flats for European Police Inspectors and further quarters for Indian Police. Extensive quarters for subordinate officers were completed and occupied during the year. They included three three-storeyed blocks at Breezy Point, each block containing six flats, two of four rooms and four of three rooms; a terrace of four two-storeyed houses, two of four rooms and two of three rooms, at Mount Parish; and a terrace of eight two-storeyed houses, two of four rooms and six of three rooms, adjoining King's Park, Kowloon.

The Mongkoktsui breakwater was constructed throughout to the level of the underside of the paving blocks. The whole of the concrete blocks required for facing the outer slope above the level of low-water were completed and 8,114 blocks out of a total number of 12,405 were set in place. The pitching of the inner slope above the level of low-water was also proceeded with, 7,230 pitching stones of an average weight of half a ton each being set. The reclamation adjoining the northern entrance was completed except the pier-head, and the pier enclosing the harbour of refuge to the south was nearly completed.

The foundations of the large masonry dam of the Tytam Tuk Reservoir were partially constructed over a length of 400 feet. In the old stream-bed, the foundations were carried down to a maximum depth of 44 feet below ground level or about 40 feet below tidal low-water level, at which depth sound water-tight rock was found. Towards the end of the year, good progress was made with the concrete and masonry work. Good progress was also made with the laying of the additional pumping mains and with the foundations for the additional pumping machinery.

The following buildings were completed:—Stables for Sanitary Department adjoining No. 1 Police Station; two underground trough closets, one in Pottinger Street and the other in D'Aguilar Street; a urinal at Happy Valley; additions to the Printing Office, Victoria Gaol, and alterations and additions to Hunghom Police Station.

The following buildings were in course of erection:—New Public Works Stores; Wireless Telegraph Station at Cape D'Aguilar; married quarters for Police in Caine Road; new block of cells, etc., Victoria Gaol; a School in the Hill District, and a Police Station at Lok Ma Chau in the New Territories.

The first portion of a road along the north face of Victoria Peak, 2,820 feet in length, commencing from Victoria Gap, was completed, as was also a road to give access to Inland Lots 1946 and 1947 situated on the ridge to the east of Happy Valley. Belchers Street was extended across Marine Lot 239. The old road from Deep Water Bay to Shaukiwan through Stanley was improved by cutting back some of the sharp corners and by widening certain narrow places. In the New Territories, the extension of the road at Castle Peak Bay and the construction of a pier there were practically completed as was also the road from Taipo to Fanling, with the exception of two bridges, one close to Taipo Market and the other about a mile south of Fanling.

Upwards of 10,000 lineal feet of streams were trained in the neighbourhood of Shaukiwan and Pokfulam, in the City and Hill District, and in Kowloon. In the New Territories, a small amount of training was done to the streams in the vicinity of the railway bungalows at Taipo. Various and considerable extensions of sewers in connexion with new building lots were carried out in Hongkong and Kowloon.

The reclamation in front of K.M.L.'s 29–31 was completed. Part of the reclaimed area is being utilized for a repairing and coaling depôt for Government launches. The depôt comprises a slipway for launches up to 80 tons, steel pier, coal store, carpenters' workshop, paint shop, and store, quarters for a European police sergeant, and quarters for Chinese workmen and coaling coolies. Accommodation is also provided within the depôt for housing undesirables, the building so occupied containing an upper floor which is to be utilized for sail-making. The slipway was completed with the exception of the carriage and hauling gear.

The work of providing scavenging lanes was continued, compensation being paid where necessary.

The demolition of the riding floors over the north end of Hing Lung Street (110 Des Vœux Road Central), the south end of Tung Hing Lane (178 Wing Lok Street), and the north end of Sheung Fung Lane (84 Second Street) was carried out, the owners being compensated by Government.

The service reservoir and filter beds near Sywan Gap in connexion with the Shaukiwan Waterworks were completed. The new pumping station on Pokfulam Road, to supersede the one on Bonham Road, was completed and brought into use about the middle of the year, the old station-building being handed over to the University authorities for use as a machine-shop and engineering laboratory. The construction of extensive additional filter beds and of a large service reservoir for the supply of the western section of the City was undertaken at the close of the year.

The total amount expended on public works extraordinary was $1,639,594.72 and on works annually recurrent $567,100.15.

Railway.

The year's expenditure chargeable to Construction Account was $546,602.44 main line and $27,826.69 Fanling branch, making a total of $574,429.13, in which is included a debit of $194,847.04, being loss on exchange in connexion with Crown Agents' advances.

During the year the superstructure of Kowloon Terminal Station building was carried to first floor level and the platforms of the New Terminal Station were opened for traffic. One new main line locomotive arrived in the Colony and was erected, and considerable progress was made in the building of eight main line coaches. Protective works of a substantial nature were found necessary along the coast line between Shatin and Taipo and were commenced in November. One new locomotive and six new coaches were supplied to the Fanling branch.

The working expenses amounted to $274,366.39, and when compared with gross receipts show a slight increase, the percentage for the previous year being 73·68, while for 1914 it was 75·25; this is mainly due to an unforeseen rise in the price of coal.

The revenue derived from local traffic amounted to $131,381.42, being $2,174.94 more than in 1913, and the earnings of through and joint sectional traffic amounted to $225,736.61, which exceeded those of the previous year by $28,222.02, while the Fanling branch earnings amounted to $7,490.29 or $578.04 more than the previous year. The excess of earnings over expenditure for 1914 was $90,241.93 against $87,824.74 for 1913.

The expenditure on the Fanling branch during the year amounted to $14,991.24 or $1,618.24 over the estimate of $13,373, due chiefly to the repairs to washouts which occurred in July.

	1913.	1914.
Passengers booked by British Section to stations in China	250,437	277,512
Passengers booked by Chinese Section to stations on the British Section	296,614	353,722
Passengers travelling on the British Section, main line	230,339	245,527
Passengers travelling on the British Section, Fanling Branch	47,119	48,997

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(a)—Hospitals.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the Harbour.

The Civil Hospital contains 150 beds in 19 wards. 2,742 in-patients and 13,828 out-patients were treated during 1914 as against 2,793 and 13,778 respectively in 1913. 324 cases of malarial fever were admitted as against 254 in 1913 and 198 in 1912; but the total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 59 cases as compared with the year 1913. The Maternity Hospital contains 12 beds for Europeans and 4 for Asiatics. 261 confinements occurred during the year as against 213 in 1913. The Victoria Hospital at the Peak contains 41 beds, and during 1914, 158 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 8 cases were treated in 1914, all being smallpox.

(*b*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 187 patients of all races were treated during 1914 and there were 15 deaths.

(*c*.)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst a Chinese house surgeon, trained in Western medicine, is a member of the hospital staff. There are 323 beds in the building and 4,683 patients were accommodated during 1914.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 58 beds and during 1914, 17 cases were treated.

The Alice Memorial and affiliated hospitals are managed and controlled by the missionaries resident in Hongkong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1914 was 1,330 and the expenditure $17,938.65. The number of labours in the Maternity Hospital was 350. The Government makes a grant of $300 per annum to these Hospitals.

To avoid the complete seclusion from friends and relatives which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of 3 acres and provides accommodation for 210 patients. The existing buildings contain 70 beds, and 1,787 patients were accommodated during 1914. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education, the Hongkong University is an aided institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government, may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1914 the number of persons admitted was 435 and at the close of the year 41 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It is now housed in the Belilios Reformatory and receives a small grant from the Government. It was temporarily closed after the outbreak of war.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc , a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence, including one for the boat population on a hulk in Causeway Bay. The total cost of maintenance, which is defrayed by voluntary subscription, was $39,664.60 for the year 1914. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 8,817, being a decrease of 3,194, or 26·59 per cent., as compared with 1913. There was in 1914 a decrease in serious offences of 467, or 13·54 per cent., as compared with the previous year. The number of serious offences reported was 596 below the average of the quinquennial period commencing with the year 1910. The number of minor offences reported shows a decrease of 2,727 as compared with 1913, and was 1,099 below the average of the quinquennial period.

The total strength of the Police Force in 1914 was Europeans 175, Indians 487, Chinese 621, making a total of 1,283 (as compared with 1,223 in 1913), exclusive in each case of the five superior officers and staff of clerks and coolies. These figures include police paid for by the Railway and other Government Departments and by private firms. Of this force 16 Europeans, 141 Indians, and 49 Chinese were stationed in the New Territories during the year, under an Assistant-Superintendent.

The District Watchmen Force, numbering 100, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 4,050, as compared with 6,885 in 1913. Of these 935 were committed for criminal offences, against 1,369 in 1913. Of committals for non-criminal offences there were 538 less under the Prepared Opium Ordinance, and one more for infringement of sanitary bylaws, than in 1913.

The daily average of prisoners confined in the Gaol was 606, the average for 1913 being 702, and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·12. The average percentage for the last ten years was 0·13. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Gaol has accommodation for 630 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·34 as compared with 1·22 in 1913 and 1·40 in 1912.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, tin-smithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $66,034 as against $59,007 in 1913. A sum of $3,329 was received and credited to Government for non-Government work against $4,652 in 1913.

IX.—VITAL STATISTICS.

(*a.*)—*Population.*

The civil population of the Colony, according to the census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 501,304, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 410,710, of whom 20,710 were non-Chinese (including Army and Navy).

The distribution of population at the census was as follows:—

Non-Chinese civil community			12,075
Chinese Population.	City of Victoria (including Peak)	219,386	
	Villages of Hong Kong	16,106	
	Kowloon (including New Kowloon)	67,602	
	New Territories	80,622	
	Population afloat	60,948	
Total Chinese population			444,664
Total Civil population			456,739

(b.)—PUBLIC HEALTH AND SANITATION.

The activity in building operations which was so noticeable a feature of 1912 and 1913 has only slightly abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hongkong during 1911, 1912, and 1913 elected to remain in the Colony. However, in August and September, 1914, nearly 60,000 Chinese hastily returned to China, owing to fears of a bombardment of the Colony following the outbreak of the European War. The Chinese quarters, which had been in an overcrowded condition throughout the plague season, were thus relieved of their excess, but not in time to prevent the severe epidemic of plague which had been predicted in the report for 1913. The relationship between overcrowding and plague was discussed at length in the report for 1912.*

The general birth-rate for the year was 9·3 per 1,000 among the Chinese community and 16·8 per 1,000 among the non-Chinese community, as compared with 11·7 and 15·8 during 1913.

The general death-rate for the year was 23·8 per 1,000 among the Chinese community and 12·9 among the non-Chinese community, as compared with 21·7 and 10·9 during 1913.

The number of deaths from Malaria (241) shows a decrease on the previous year (290). The deaths of Chinese from this cause in the City of Victoria numbered 73 out of a population of 247,500, or a rate of 0·29 per 1,000 per annum. All districts show a reduction in mortality from this cause except the Stanley (rural) district, where a large number of workmen have been employed throughout the year in the construction of the extension to the Tytam Waterworks.

The deaths from plague numbered 2,020, as compared with 386 in 1913 and 1,768 in 1912.

Small-pox deaths numbered 91, all Chinese, with the exception of one Portuguese infant and one British shipwright.

There were 2,252 deaths from respiratory diseases among the Chinese, as compared with 2,537 in 1913. Pulmonary tuberculosis and phthisis claimed 742 Chinese victims, while other forms of tuberculosis represent an additional 312 deaths, making a total of 1,054, or 11·3 per cent. of the total deaths among that community.

Beriberi was responsible for 399 deaths, as compared with 339 during 1913 and 231 in 1912. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that beriberi is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice when fresh meat or fresh fish cannot be afforded.

The influx of thousands of strangers from the neighbouring provinces is a sufficient explanation of the temporary rise in the number of deaths from this disease.

A tabular statement of the principal causes of death is appended (p. 34).

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* Colonial Reports—Annual, No. 762.

(c.)—CLIMATE.

The mean shade temperature for the year at the Royal Observatory, Kowloon (108 feet above mean sea level), was 73°·4, 1°·5 higher than in 1913, and 1°·3 higher than the mean for the past 10 years. The maximum temperature was 94°·0 on the 31st August and the minimum 47°.4 on the 1st January. The hottest month was August, with a mean temperature of 82°·3 and the coldest, January, with a mean temperature of 62°·8.

The temperature at the high levels of the Peak District is from 3° to 8° less than at the Observatory. At Victoria it is practically the same. The rainfall and humidity are considerably greater at the Peak than at Victoria, the Observatory, or Tai Po (New Territories).

The total rainfall for the year was 100·21 inches, as compared with an average of 82·73 inches during the ten preceding years. The wettest month was July, with 26·30 inches, the driest, January, when no rain fell. The greatest amount of rain which fell on any one day was 5·25 inches on the 22nd June, while no rain fell on 219 days of the year. The mean relative humidity of the atmosphere for the year was 78 per cent., or the same as for the ten preceding years. The average daily amount of sunshine was 5·6 hours, being 46 per cent. of the possible duration.

X.—POSTAL SERVICE.

The total revenue from the Postal Service in 1914 amounted to $398,426.38 being $41,573.62 less than the amount estimated. The revenue from the sale of Postage Stamps in 1913 amounted to $397,083.40 and that for 1914 to $355,018.05, a decrease of $42,065.35, which is attributed to the dislocation of business and the diminished number of vessels sailing out of the Colony on account of the war. The expenditure in 1914 amounted to $371,646.06. The result of the year's postal transactions shows a credit balance of $26,780.32.

A branch Post Office was opened in the Saiyingpun district on the 1st May and is meeting a long-felt want.

The mails sent from London by the trans-Siberian route have been very erratic since the outbreak of hostilities, taking 30 to 35 days in transit against 19 days during the antebellum period.

XI.—GENERAL OBSERVATIONS.

1. The condition of the Province of Kwangtung improved considerably during the year, though the Government found difficulty in suppressing the numerous robber bands which, owing to the disbandment of many soldiers who had been enrolled during the revolu-

tionary period, were scattered throughout the provinces of Kwangtung and Kwangsi, and especially in the West River districts. Many acts of piracy occurred and the influx of undesirable characters to Hongkong gave the Police cause for extra vigilance.

On the 15th March a piracy of the Norwegian steamship "Childar" occurred soon after this vessel had left Hongkong for Swatow, and in this case the pirates escaped, having run the ship close to Chinese territory near Bias Bay before they left it. The steamship "Tai On," which was attacked by pirates on the 2nd April, 1913, was again the victim of a serious piracy on the night of the 27th April when in the vicinity of Kio Island. The pirates, who had embarked as passengers, attacked the bridge, but the Master, Mr. Wetherall, assisted by the Chief Officer, Mr. Evans, the Chief Engineer, Mr. McCartney, and two Portuguese, J. Conception and A. Dias, offered a most spirited resistance. Being foiled in their attempt the pirates then set fire to the vessel and about 300 lives were lost including that of the Chief Officer, Mr. Evans, who was injured, it is feared, in the struggle on board and was unable in consequence to keep himself afloat after the ship had been abandoned. The disaster was one of the worst that have occurred in the waters of the delta, but the gallant conduct of the officers in charge of the ship had a remarkable effect in stopping any serious attempts at piracy for some time afterwards. The Government and public of Hongkong marked their appreciation of the action of Mr. Wetherall, Mr. McCartney, and Guard Dias by compensating them for the losses they suffered and by suitable presentations. The widow of Mr. Evans, the Chief Officer, was awarded an allowance by the Government. This piracy led to the passing of the Piracy Prevention Ordinance referred to under the head of Legislation. In accordance with its provisions vessels sailing to ports on the southern coast of China, which are licensed to carry passengers, have to comply with certain stringent regulations.

With the assistance of the Chinese Government and the Macao authorities the Hongkong Police were enabled to trace the perpetrators of both these outrages. They were tried by the authorities in the Kwangtung Province, and 17 of those concerned in the "Tai On" piracy and 9 of those concerned in the "Childar" piracy were executed at Canton.

2. In the month of July very serious floods occurred in the Fu and West Rivers and an immense tract of country bordering on these rivers was submerged. Great damage was done to embankments which protect the riverine fields and much suffering was occasioned to a large population who were deprived of food and shelter.

The Government contributed a sum of $50,000 in aid of a Relief Fund and a representative Committee was appointed to raise public subscriptions and administer the fund. Including the Government contribution a sum of over $349,000 was raised, the greater portion of which was devoted to the repair by the villagers of broken embankments. A large sum was also spent in sending food into the district at the beginning of the emergency.

The Committee worked in co-operation with the Charitable Societies in Canton, who displayed their usual energy and generosity in organising relief, and by and with the authority of the Chinese Authorities, who rendered every facility to the Members of the Committee who supervised work and relief in the district assigned to them.

3. The outbreak of war with Germany and Austria, and later with Turkey, produced a novel and trying situation in which the entire community showed a most commendable spirit. Offers of assistance from all classes and races were tendered, and conspicuous in their proffers of help were the members of the Chinese community. Practically the whole of the British male population, including very many of Indian, Portuguese, and Chinese race, not already enrolled, gave their services to the Volunteers, the Volunteer Reserves, and the Special Police Reserve. Their services were most valuable and their public spirit rendered possible a considerable reduction in the regular garrison for duty elsewhere.

The following Companies and organisations lent valuable assistance to the Government:—

The Tramway Companies and the Star Ferry Company, who conveyed soldiers and volunteers free of charge.

The Committee of the Matilda Hospital, who received free of charge certain German ladies until other arrangements could be made for their disposal.

The Joint Telegraph Companies, in all matters connected with the censorship of telegrams.

The Hongkong Volunteer Cadets and the St. Joseph's College Boy Scouts rendered useful service as messengers.

Before the end of the year £17,000 was remitted to the National Relief Fund inaugurated by H.R.H. the Prince of Wales. This fund was liberally contributed to by all classes of the community, including Indians, Portuguese, and Chinese. Various other funds for relief of Belgian refugees and for supply of tobacco and clothing to the troops were also instituted and liberally supported by the community.

The cost of the passages of a number of recruits for the Armies in England not only from the Colony but from places in the Far East were defrayed by the Colonial Government. Up to the end of the year seven local residents went to take up Commissions as officers and thirty-seven for enlistments. From outside the Colony two were selected for Commissions and ten for enlistment. The Peninsular and Oriental Steam Navigation Company were good enough to grant favourable preferential rates for these passages.

4. The difficulties encountered by the Green Island Cement Company in their endeavour to obtain limestone from the Kwangtung and Kwangsi Provinces were not wholly overcome, and the supply during the year was not satisfactory.

5. The Opium Farm was taken over by the Government in March and the restrictive measures adopted have already had a good effect. The energetic action of the Revenue Department has succeeded in

tracing many cases of smuggling of opium, morphine, and cocaine through the Colony and the heavy fines inflicted and the confiscation of the smuggled goods will, it is hoped, go far to checking this illicit trade.

6. An order of the Supreme Court was obtained in March for the removal of the Morrison Library from the City Hall, where it was little used by the public, to the University.

7. Mr. A. G. M. Fletcher (Assistant Colonial Secretary) proceeded on leave on the 19th March, 1914, and during his absence his post was filled by the appointment of Mr. M. J. Breen.

Mr. R. H. Crofton (late Chief Clerk) was promoted to the post of Assistant Government Secretary, Zanzibar, and left to take up his duties on 4th January, 1914.

CLAUD SEVERN,

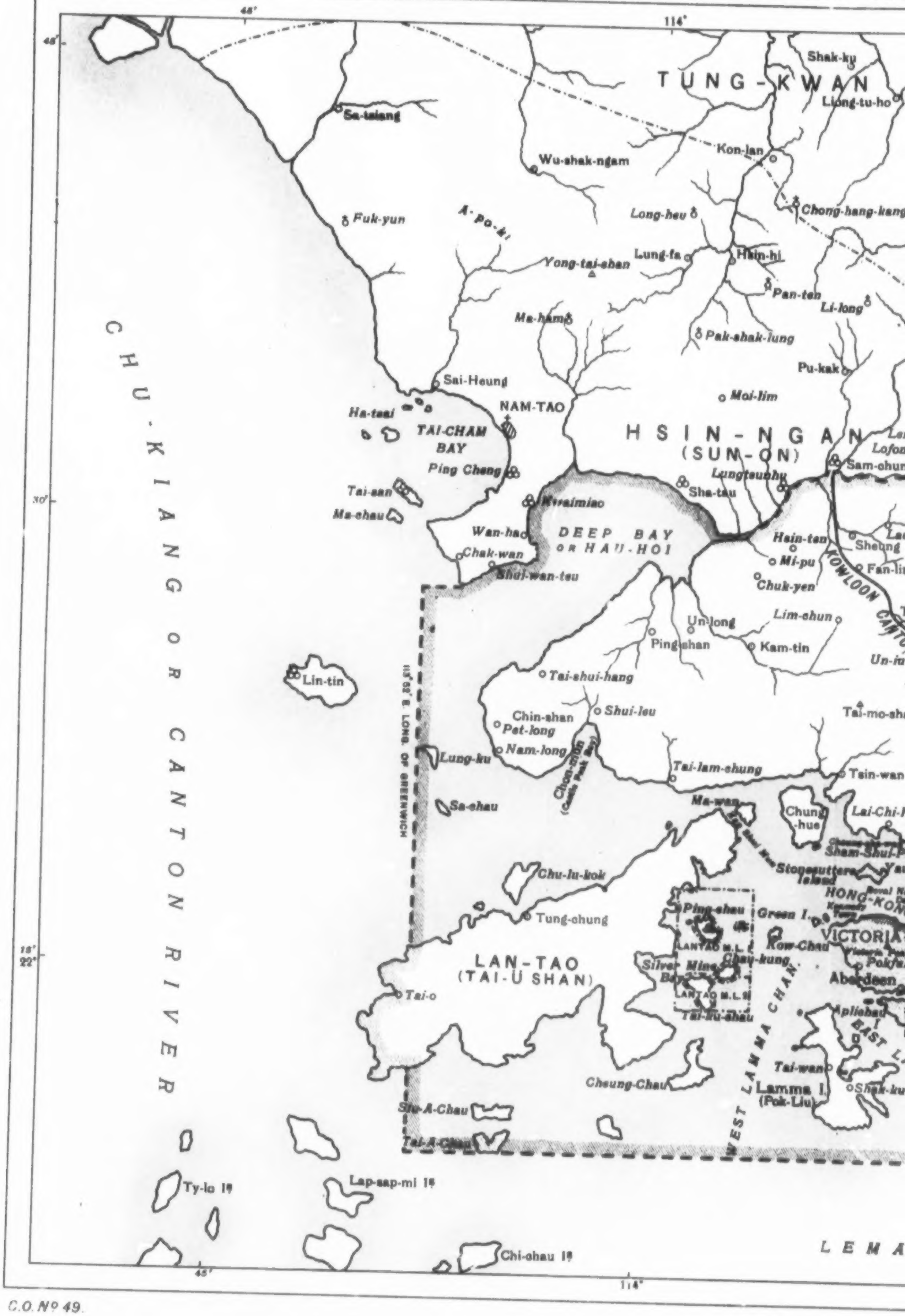
Colonial Secretary.

29th June, 1915.

DEATHS REGISTERED IN THE COLONY OF HONGKONG DURING 1914.

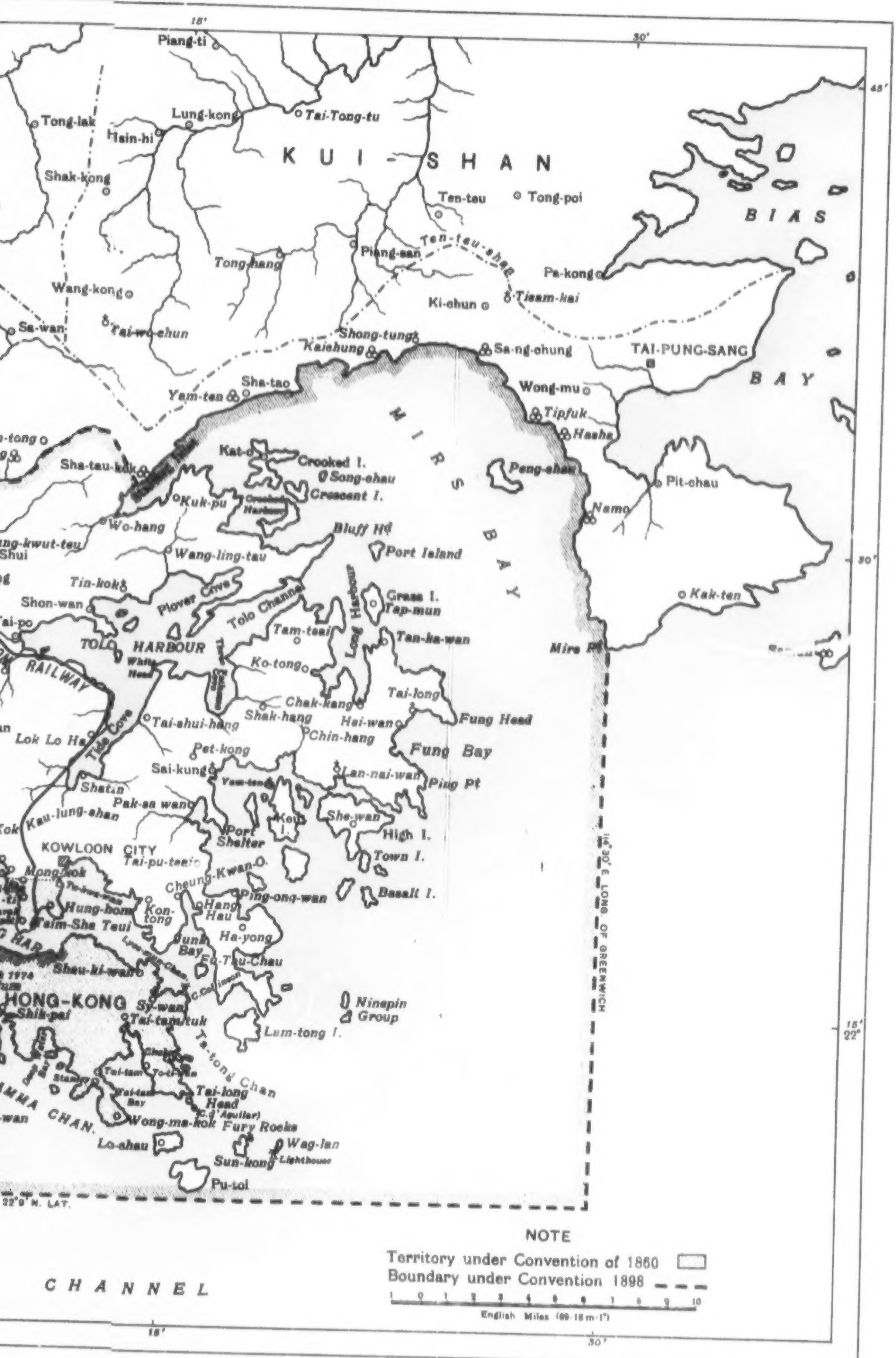
		Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cholera.	Diarrhœa.	Dysentery.	Plague.	Malarial Fever.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Alcoholism.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis and Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Community	Civil	2	1	4	1	...	2	5	48	5	...	4	2	...	10	3	4	5	3	2	6	7	9	17	26	3	1	...	4	66	2	242
	Army	...	...	1	...	...	...	...	3	...	...	...	...	...	1	...	...	1	...	...	1	...	...	4	2	1	...	...	...	10	...	24
	Navy	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	2	...	3
Chinese Community	Victoria and Peak...	18	...	52	22	11	71	123	1219	73	9	51	182	8	51	...	555	81	214	247	21	257	84	641	401	322	17	24	34	821	131	5840
	Harbour	12	...	7	5	4	5	24	83	54	5	3	3	...	16	...	21	116	9	60	2	1	14	71	148	20	4	6	5	189	150	987
	Kowloon	55	3	8	9	..	18	35	687	58	...	23	11	1	19	1	60	143	46	69	5	9	52	238	138	31	4	10	24	299	122	2128
	Shaukiwan	4	...	2	1	1	10	6	28	11	1	...	2	1	6	...	5	16	2	19	1	...	...	25	30	20	...	...	...	86	18	245
	Aberdeen	...	...	...	...	...	...	2	1	20	...	...	...	...	2	...	...	19	1	2	...	...	...	...	23	...	...	...	...	2	2	74
	Stanley	...	...	...	...	...	...	2	1	20	...	...	...	...	1	..	...	9	...	...	...	1	..	...	1	...	...	...	...	6	1	42
Total, 1914		91	4	74	38	16	106	197	2020	241	15	81	200	10	106	4	645	390	275	399	36	275	160	996	769	397	26	40	67	1481	426	9585
,, 1913		84	4	90	60	84	110	212	386	290	17	81	284	17	209	3	365	362	381	339	51	423	163	1164	911	211	28	54	156	1322	575	8435

HONG-KONG, KOWLOON AN


45'
114°
30'
15'
22°
TUNG-KWAN
Shak-ku
Liong-tu-ho
Sa-tsiang
Wu-shak-ngam
Kon-lan
Fuk-yun
A-po-ki
Long-heu
Chong-hang-kang
Lung-fa
Hsin-hi
Yong-tai-shan
Pan-ten
Li-long
Ma-ham
Pak-shak-lung
Pu-kak
Moi-lim
Sai-Heung
NAM-TAO
Ha-tsai
TAI-CHAM BAY
Ping Cheng
HSIN-NGAN (SUN-ON)
Lofon
Sam-chun
Lungtsunhu
She-tau
Tai-san
Ma-chau
Wan-hao
DEEP BAY OR HAU-HOI
Chak-wan
Shui-wan-teu
Hsin-ten
Mi-pu
Sheung
Fan-lin
Chuk-yen
KOWLOON
CANTO
Un-long
Lim-chun
Ping-shan
Kam-tin
Un-lu
CHU-KIANG OR CANTON RIVER
Lin-tin
Tai-shui-hang
113°52' E. LONG. OF GREENWICH
Chin-shan
Pat-long
Shui-leu
Nam-long
Tai-mo-sha
Lung-ku
Chon-mun (Castle Peak Bay)
Tai-lam-chung
Tsin-wan
Sa-chau
Ma-wan
Chung-hue
Lai-Chi-K
Sham-Shui-P
Stonecutters Island
Chu-lu-kok
HONG-KONG
Ping-chau
Green I.
Tung-chung
Kow-Chau
VICTORIA
LANTAO M.L.
Chau-kung
LAN-TAO (TAI-U SHAN)
Silver Mine Bay
Pokfu
Aberdeen
Tai-o
LANTAO M.L.
Tai-lu-shau
Apliehau
WEST LAMMA CHAN.
EAST LA
Tai-wan
Cheung-Chau
Lamma I. (Pok-Liu)
Shek-ku
Siu-A-Chau
Tai-A-Chau
Ty-lo Iˢ
Lap-sap-mi Iˢ
Chi-chau Iˢ
LEMA

C.O. Nº 49.

D ADJACENT TERRITORIES.


18'
30'
45'
30'
15'
22°
Piang-ti
Tong-lak
Lung-kong
Tai-Tong-tu
Hsin-hi
Shak-kong
K U I - S H A N
Ten-tau
Tong-poi
B I A S
Tong-hang
Piang-san
Ten-tau-shan
Pa-kong
Wang-kong
Ki-chun
Tsam-kai
Sa-wan
Tai-wo-chun
Shong-tung
Kaishung
Sa-ng-chung
TAI-PUNG-SANG
B A Y
Yam-ten
Sha-tao
Wong-mu
Tipfuk
Hasha
M I R S B A Y
-tong
Sha-tau-kok
Kat-o
Crooked I.
Song-chau
Crescent I.
Crooked Harbour
Kuk-pu
Peng-chau
Pit-chau
Namo
Wo-hang
Bluff Hd
Port Island
-ng-kwut-tau
Shui
Wang-ling-tau
Tin-kok
Plover Cove
Tolo Channel
Long Harbour
Grass I.
Tap-mun
Kak-ten
Shon-wan
Tai-po
Tam-tsai
Tan-ka-wan
TOLO HARBOUR
White Head
Three Fathom Cove
Ko-tong
Mirs Pt
RAILWAY
Tai-long
Chak-kang
Shak-hang
Hai-wan
Fung Head
Tai-shui-hang
Chin-hang
Lok Lo Ha
Tide Cove
Pet-kong
Fung Bay
Sai-kung
Yam-tsai
Lan-nai-wan
Ping Pt
Shatin
Pak-sa wan
Kau-lung-shan
Kau I.
She-wan
High I.
Port Shelter
KOWLOON CITY
Tai-pu-tsai
Town I.
Mong-kok
Cheung-Kwan-O
Ping-ong-wan
Basalt I.
Hung-hom
Kon-tong
Hang Hau
Tsim-Sha Tsui
Ha-yong
Junk Bay
Fu-Tau-Chau
Shau-ki-wan
C. Collinson
HONG-KONG
Sy-wan
Ninepin Group
Shik-pai
Tai-tam-tuk
Lam-tong I.
Ta-tong Chan
Tai-tam
To-ti-wan
Stanley
Tai-tam Bay
Tai-long Head (C. d'Aguilar)
LAMMA CHAN.
-wan
Wong-ma-kok
Fury Rocks
Lo-chau
Wag-lan Lighthouse
Sun-kong
Pu-toi
22°9' N. LAT.
114°30' E. LONG. OF GREENWICH
C H A N N E L
NOTE
Territory under Convention of 1860
Boundary under Convention 1898
1 0 1 2 3 4 5 6 7 8 9 10
English Miles (69·16 m-1°)

COLONIAL REPORTS, &c.

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ANNUAL.

No.	Colony, &c.	Year.
820	Jamaica	1913–1914
821	Northern Nigeria	1913
822	Grenada	,,
823	Zanzibar	,,
824	Barbados	1913–1914
825	Southern Nigeria	1913
826	Mauritius	,,
827	British Honduras	,,
828	Colonial Survey Committee	1913–1914
829	Tongan Islands Protectorate	,,
830	Swaziland	,,
831	Uganda	,,
832	Nyasaland	,,
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834	Imperial Bureau of Entomology	1914
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836	St. Lucia	,,
837	Somaliland	,,
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841	Leeward Islands	,,
842	Gilbert and Ellice Islands	,,
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844	Turks and Caicos Islands	,,
845	Weihaiwei	,,
846	Seychelles	,,
847	St. Helena	,,
848	Fiji	,,
849	Bahamas	1914–1915
850	Gibraltar	1914
851	Sierra Leone	,,
852	Grenada	1914–1915
853	Bermuda	1914
854	Malta	1914–1915
855	Ceylon	1914

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.

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No. 892.

HONG KONG.

REPORT FOR 1915.

(ABRIDGED.)

(For Report for 1914 see No. 856.)

Presented to both Houses of Parliament by Command of His Majesty.
September, 1916.

LONDON:
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VIII.—VITAL STATISTICS 22

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No. 892.

HONG KONG.

(For Report for 1914 see No. 856.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
1st June, 1916.

SIR,

I have the honour to transmit herewith six copies of the Colonial Secretary's report on the Blue Book for 1915.

I have, etc.,
F. H. MAY,
Governor, &c.

The Right Honourable
A. Bonar Law, M.P.,
etc., etc., etc.

(C291) Wt.45316/1003. 1,000 & 90. 9.16. B.&F.Ltd. Gp.11/2.

REPORT ON THE BLUE BOOK FOR 1915

(Abridged.)

I.—FINANCES.

The revenue for the year amounted to $11,786, 106, being $378,474 more than the estimate, and $778,833 more than the revenue, for the previous year.

Compared with the returns for 1914 there were decreases under every head with the exception of Licences and Internal Revenue and Miscellaneous Receipts. "Interest" remained at nil.

The expenditure amounted to a total of $15,149,267, inclusive of a sum of $1,839,882 spent on Public Works Extraordinary and of $3,062,388 charged to railway construction.

The total expenditure brought to account, though not incurred solely on account of the year under review, amounted to $15,149,268, being $2,662,497 over the estimate and $4,393,043 more than the expenditure in 1914. Compared with the estimates, there were decreases under 20 heads as against 5 heads where there were increases. The excess, amounting to $812,732, under Miscellaneous Services, was largely due to loss on subsidiary coins, of which coins to the face value of $5,900,000 were demonetized during the year (causing an excess over the estimate of $488,057); and to expenditure on account of the war which was not estimated for ($253,030). It was decided to charge further expenditure on railway construction to general account, and subsequently also to abandon the raising of a loan of £250,000 under Ordinance No. 8 of 1913, which together account for an excess of $3,062,388 under Special Expenditure Railway Department not estimated for, while the charge on account of public debt was exceeded by $55,152 on account of interest on advances for railway construction. Military expenditure was less than the estimate by $167,230. The Imports and Exports Department decreased $206,583 on account of less opium purchased, while the Harbour Department saved $160,705 on special expenditure by partial postponement of the scheme for acquisition of buoys in the harbour. Other decreases were mostly due to savings on personal emoluments.

The deficit on the year's working was $3,363,161, and the balance of assets and liabilities showed on the 31st December a debit balance of $452,686.

The following is a statement of the revenue and expenditure of the Colony for the five years 1911–1915 :—

	Revenue. $	*Expenditure.* $
1911	7,497,231	7,077,177
1912	8,180,694	7,202,553
1913	8,512,308	8,658,012
1914	11,007,273	10,756,225
1915	11,786,106	15,149,267

The capital expenditure on the British section of the Kowloon-Canton Railway during 1915 was $506,346, chiefly in connection with the erection of a terminal station. The total expenditure on this account amounted at the end of the year to a sum of $14,602,007, of which $11,539,618 was obtained from the Wuchang Loan and the balance, $3,062,389, charged to the general expenditure of the Colony.

The amount of the consolidated loan stands at £1,485,732. Against this there is at credit of the Sinking Fund a sum of £210,855.

No new taxation was imposed during the year.

The circulation on the 31st December of notes of the three banks having authorised issues was as follows :—

Hong Kong and Shanghai Bank	$21,793,806
Chartered Bank of India, Australia and China	6,976,548
Mercantile Bank of India	1,074,231
	$29,844,585

The currency of the Colony consists, in addition to the notes of these banks, of British, Hong Kong, and Mexican dollars and of subsidiary coin.

The rate of discount on Hong Kong subsidiary coin, as compared with notes, varied during 1915 between the following limits :—

50 cent pieces,	6¼ per cent.	to	13¼ per cent.
20 ,,	7⅝ ,,	,,	18½ ,,
10 ,,	7⅝ ,,	,,	19¼ ,,
5 ,,	6⅛ ,,	,,	15½ ,,
Copper coin,	par		par

Compared, however, with the Mexican dollar, which is the standard of the Colony, the variations were as follows :—

50 cent pieces	4 per cent.	to	5¼ per cent.
20 ,,	5⅜ ,,	,,	10½ ,,
10 ,,	5⅜ ,,	,,	11¼ ,,
5 ,,	3⅞ ,,	,,	7½ ,,
Copper coin,	par.		par.

It will be seen, therefore, that Bank notes were at a premium varying from 2¼ per cent. to 8 per cent.

The total issue of these coins, less those demonetized, now amounts to $26,292,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1915 ten cent pieces of the face value of $5,100,000 were shipped to England for purposes of demonetization. The discount which has prevailed since 1905 may be attributed to the immense quantity of similar coin which has latterly been minted at Canton as well as to the amount of Hong Kong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hong Kong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetizing all its subsidiary coin received as revenue. This policy has been continuously followed since except during a brief period in 1911. Coin to the face value of $17,707,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of about $44,000,000.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a.*)—SHIPPING AND TRADE.

The total of the shipping entering and clearing at ports in the Colony during the year 1915 amounted to 531,602 vessels, of 33,884,919 tons, which, compared with the figures for 1914, shows an increase of 14,163 vessels, with a decrease of 2,872,032 tons.

In local trade (*i.e.* trade between places within the waters of the Colony) there is an increase in Steam Launches of 8,764 vessels with a decrease in tonnage of 256,650 tons, or 1·9 per cent. in numbers and 2·0 in tonnage. This is explained by the fact that smaller launches have taken the place of the larger launches which are being used as Examination Vessels.

In local trade junks there is shown an increase of 6,465 vessels of 149,219 tons, or 17·2 per cent. in numbers and 11·0 per cent. in tonnage. This is explained by the fact that a better control is now exercised, as these crafts have to report themselves and get a permit to pass outward through the Examination Service.

The actual numbers of individual ocean-going vessels of European construction entering during 1915 was 724, of which 310 were British and 414 were foreign. In 1914 the corresponding figures were 825:—385 British and 440 foreign.

These 724 ships measured 1,824,395 tons. They entered 3,824 times, and gave a collective tonnage of 7,181,699 tons. Thus there were 101 fewer ships and 402 fewer entries giving a collective tonnage reduced by 1,286,910 tons, an average of 3,201·2 tons per entry.

The 310 British ships carried 2,790 British officers and 27 foreign officers, the latter consisting of 5 American, 4 Dutch, 7 Swedish, and 11 Norwegian.

Thus, the proportion of foreign officers in British ships was 0·90 per cent. comprising 4 nationalities, an increase of 0·58 per cent. with a decrease in the number of officers and of ships.

The 414 foreign ships carried 3,312 officers, of whom 66 were British, as follows : —

	1914.	1915.
In Chinese ships	84	55
,, Japanese ships	6	7
,, United States ships	4	4
,, French ships	0	0
	94	66

Thus, 1·99 per cent. of the officers serving in foreign ships were of British nationality, with a decrease in number of officers and of ships.

The nationality of the crews in British and in foreign ships was as follows :—

	VESSELS.		BRITISH CREW.		EUROPEANS AND AMERICANS.		ASIATICS.	
	1914.	1915.	1914.	1915.	1914.	1915.	1914.	1915.
British ..	385	310	24,264	20,253	866	901	135,214	128,160
Foreign ..	440	414	1,571	1,155	24,428	10,791	118,268	114,516
Total ..	825	724	25,835	21,408	25,294	11,692	253,482	242,676

Hence in British ships :—			And in Foreign ships :—		
1914.	*1915.*		*1914.*	*1915.*	
15·13 %	13·57 %	of the crews were British.	1·08 %	0·91 %	of the crews were British.
0·54 %	0·60 %	of the crews were other Europeans.	16·93 %	8·53 %	of the crews were other Europeans.
84·33 %	85·83 %	of the crews were Asiatics.	81·98 %	90·56 %	of the crews were Asiatics.

TRADE.

The figures and statistics which here follow are not necessarily strictly accurate as they are derived from the reports by masters of ships, and not from ship's manifest, as they would be in the case of a port that was not free, and where all cargo would have to pass through a Customs House.

Imports.

The imports decreased by 280,750 tons, or 6·7 per cent., which is, of course, due to the war entirely. This decrease is almost all a shortage from European countries as the local trade has been quite up to the normal, except in the case of coal. Increases are shown in the following:—Beans, rice, and timber; whilst decreases are shown under the following:—Coal, cotton, flour, hemp, kerosene, both case and bulk, liquid fuel, and general.

Beans.—Here the increase is very slight and shows that the trade, being a local one, has kept normal.

Coal.—A very large decrease of coal has occurred, and this is naturally due to the falling-off in large ocean vessels taking bunker coal, and with less demand there has been less importation. No coal has been imported from Great Britain, but an increase is shown from Chinese ports.

Flour.—A decrease is shown here of 56,597 tons. Again this is owing principally to the large stocks which were imported towards the latter part of 1914 and held over for a higher price. Also the Chinese did not use as much flour as in 1914 owing to the appreciable cheapening of the rice market. It is also due to high freights ruling and high cost of wheat in America.

Hemp.—Here again a decrease is shown of 17,161 tons. Most of this shortage is probably transhipment cargo, as often hemp is transhipped here into home boats.

Kerosene Oil.—Bulk oil shows a decrease of 5,636 tons and case oil of 25,161 tons. The decrease shown in bulk oil is only a nominal one and means that the trade has maintained an even balance, but case oil shows a heavy decrease, due undoubtedly to the high freight rates ruling and the difficulty of getting tonnage, which would have the effect of considerably increasing the cost per case. Importers who had large stocks in hand at the beginning of the year did not import, hoping for more normal times. One cargo for Hong Kong was lost off the coast of Japan, and owing to the temporary blocking of the Panama Canal, cargo destined to arrive in 1915 did not arrive until January, 1916.

Liquid Fuel.—A decrease is shown of 14,945 tons, which is due entirely to the war, the withdrawal of the fleet and consequently small demand for this commodity outside merchant shipping. The fleet were practically the only consumers of liquid fuel out of this port.

Rattans.—Here a decrease is shown, but in reality the importation has been about normal, the decrease shown being due to this cargo being classed as general.

Rice.—There was an appreciable increase in the imports of rice, accounted for by the exceptionally large crops gathered during the year both in Siam and Indo-China, and the excessive demand from South China owing to the floods and large tracks of rice land not being under cultivation. This again, being a local trade, has been unaffected by the war.

Timber.—Here an increase is shown, which is due to the falling-off of stocks at the end of 1914, which have been more than made up this year.

Opium.—The clearance of the old stock of certified opium has been proceeding quietly. Imports have come practically entirely from Shanghai. On the 1st October the Opium Suppression Commissioner for the Provinces of Kwang Tung, Kiang Si, and Kiang Su came to an agreement with the merchants forming the Opium Combine to purchase the whole of the stock of certified opium then lying in Hong Kong. The export of certified opium is now, therefore, confined to deliveries to the Kwang Tung Government.

	Malwa. *Chests.*	Patna. *Chests.*	Benares. *Chests.*	Total. *Chests.*
Imports.....	125	45	12	182
Exports.....	607	371	147	1,125

Eight hundred and fifty-two (852) chests of Persian opium were imported and 856 exported, the destination being either London or Formosa. Eight hundred and thirty-nine chests of uncertified Indian opium were imported from India, of which 500 chests were exported to Macao. The remainder was for the use of the Government Opium Monopoly. The table below shows the total imports and exports since 1908:—

	1915. Chests.	1914. Chests.	1913. Chests.	1912. Chests.	1911. Chests.	1910. Chests.	1909. Chests.	1908. Chests.
Stock in hand on 1st January ..	2,256½	4,580½	5,560	7,587	7,123	4,509	5,808	4,707
Imported during the year	1,873	3,059½	9,108½	12,361¼	21,286	31,743	35,734	41,821
Total.....	4,129½	7,640	14,668½	19,948¼	28,409	36,252	41,542	46,528
Boiled by Opium Farmer	—	36	667	1,113	761	782	1,044	864
Boiled by Government	340	413	—	—	—	—	—	—
Spurious Opium destroyed	17	19	—	2	—	14	51	247
Missing or stolen.	—	4	2	9	—	—	—	—
Exported during the year	2,469	4,911½	9,419	13,264¼	20,061	28,333	35,938	39,609
Total	2,826	5,383½	10,088	14,388¼	20,822	29,129	37,033	40,720
Stock remaining on 31st December..	1,303½	2,256½	4,580½	5,560	7,587	7,123	4,509	5,808

General.—The decrease here of 47,562 tons is small, only amounting to 2 per cent. This of course, as in the preceding year, is due entirely to the war and the small amount of goods being exported from European countries.

Exports.

An increase is shown in exports of 79,793 tons, or 3 per cent. This again is principally local, as trade has been particularly brisk between Hong Kong, the Straits, and India. Coast ports have also had a large share of attention. But although an increase is shown for the year, export trade is still far below the average of 1913.

Transit Cargo.—The decrease in transit cargo, which was very marked in 1914, has continued to a still greater extent this year, and the same reason must undoubtedly be given for it, *viz.*, the falling off in large ocean vessels visiting the Port both from European and American ports.

Emigration and Immigration.

Sixty-eight thousand two hundred and seventy-five (68,275) emigrants left Hong Kong for various places during the year 1915 (76,296 in 1914).

Of these, 46,588 were carried in British ships, and 21,687 in foreign ships.

Statement of Number of Emigrants to Straits Settlements, 1909 to 1915, compared with Total Chinese Emigration.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1909	48,016	77,430
1910	76,705	111,058
1911	100,906	135,565
1912	84,024	122,657
1913	102.353	142,759
1914	44,974	76,296
1915	41,278	68,275

One hundred and nine thousand seven hundred and fifty-three (109,753) returning emigrants are reported to have been brought to Hong Kong from the several places to which they had emigrated either from this Colony or from coast ports, as against 168,827 in 1914. Of these 82,057 arrived in British ships, and 27,696 in foreign ships.

(*b*).—INDUSTRIES.

(i.)—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the years 1914 and 1915 :—

1915.

Taikoo Dockyard and Eng. Co., Ltd.	3	vessels of	2,780	gross	tons and	1,400	I.H.P.
Hong Kong and Whampoa Dock Co., Ltd.	5	„	2,488	„	„	3,240	„
Macdonald & Co.	1	„	33	„	„	70	„
Kwong Fook Cheong	1	„	30	„	„	72	„
Ah King	13	„	30	„	„	127	„
Total	23	vessels of	5,361	gross	tons and	4,909	I.H.P.

1914.

Taikoo Dockyard and Eng. Co., Ltd.	9	vessels of	7,166	gross	tons and	4,970	I.H.P.
Hong Kong and Whampoa Dock Co., Ltd.	12	„	3,172	„	„	4,810	„
W. S. Bailey & Co.	9	„	1,264	„	„	1,031	„
Macdonald & Co.	1	„	42	„	„	70	„
Tung Hing Lung	2	„	110	„	„	140	„
Kwong Sing Loong	2	„	130	„	„	150	„
Kwong Hop Loong	3	„	116	„	„	210	„
Kwong Tuck Cheong	1	„	700	„	„	1,450	„
Ah King	13	„	28	„	„	34	„
Kwong Hip Lung Co., Ltd.	3	„	557	„	„	1,200	„
Kwong Lee	4	„	135	„	„	280	„
Total	59	vessels of	13,420	gross	tons and	14,345	„

The large decrease in the gross tonnage is due to the war, but it will be noticed that there is a small increase in the average tonnage of the vessels constructed from 224 to 233 tons each.

Sugar Refineries.—The year 1915 was one of very high prices throughout, governed by the inflated level of raws. Consumption of refineds in consequence was naturally restricted, particularly in the China markets, where substantial reductions were found necessary towards the end of the year. Japanese and Java competition was experienced, but not quite so acutely as formerly, total imports from Java showing a marked falling off.

It may be noted that, during the latter half of the year, the local refineries took a larger share than usual in supplying British India and Persian Gulf markets with the highest quality of refined crystals.

Cotton Spinning.—For the reasons stated in last year's report, the machinery of the local mill has now all been transferred to Shanghai, where the business is making satisfactory progress under the better cotton spinning conditions that apply there.

As regards cotton yarn, though marked by violent fluctuations in prices, the year was a fairly profitable one, both to foreign importers and to native dealers. At the close of last year the market was bad with the majority of the native dealers. As the Chinese New Year approached, however, matters improved owing to arrangements with importers which contributed in no small degree to the more sound trade conditions which obtained during the rest of the year.

Below is appended a table of arrivals, sales, and deliveries which shows that, while the sales for the current year are about the same as those of 1914, the deliveries show an encouraging improvement:—

Arrivals	159,000
Sales	105,000
Deliveries	177,000
Comparative prices 10*s.*	$ 90-$105
„ 20*s.*	$115-$130

A special feature of the year just closing is that Japanese yarn No. 20 has entirely driven out this count of Bombay yarn from the local market, so much so that during the past three months not a single bale of Indian 20*s*. has been negotiated in the local market.

Rope.—Fair prices and a brisk demand have been the features of this market for the greater part of 1915, but latterly values of Manila hemp have risen rapidly and by the end of the year showed an advance of about 20 per cent. all round.

Prices of cordage have advanced in unison but it is feared that the increased cost will result in a reduced demand and a smaller business in the coming year.

Cement.—There was a good demand throughout the year, and had it been possible to obtain the usual supplies of limestone from Canton a much larger business could have been done. Prices have been well maintained in spite of the competition of inferior brands, but export business has been greatly handicapped by scarcity of tonnage and high rates of freight. A large demand arose from Australia, owing no doubt to German supplies being cut off, but the business seems to have been overdone and collapsed very quickly.

(ii.)—*Under Chinese Management.*

Tin.—There are only five refineries operating. Imports from Yunnan amounted to about 7,000 tons and from Kwangsi to about 1,000 tons.

One thousand (1,000) tons were exported to Japan, 800 tons to Shanghai, and 5,700 tons to Europe and America.

There was also a small export business done with China coast ports.

Rattan and Fibre Furniture.—The business in chair export has declined about 50 per cent. in comparison with the preceding year on account of the war and high rates of freight. Business in sea grass and hemp has also fallen off considerably.

Native Tobacco.—The output for the year under review has been well maintained and its use for the manufacture of cigarettes has increased by about 30 per cent.

Tinned Goods.—The market has been less active and business has fallen off 20 per cent. in comparison with the preceding year.

Samshu.—The Superintendent of Imports and Exports reports that considerable increase as compared with the second half of last year has taken place in local production, while imports for local consumption have slightly declined.

Vinegar.—The business has remained the same as in the preceding year.

Knitted Vests and socks.—The market has improved and business has increased about 30 per cent. Sale of Japanese manufactured articles has declined about 20 per cent.

Leather and Hides.—The price has advanced about 20 per cent. in comparison with the preceding year, and a fairly good business has been done in consequence of shortage of European leather in the Colony.

Ginger and Preserves.—This business declined considerably, about 40 per cent. in comparison with the preceding year.

Soy.—Exporters again report a poor market. Business has been reduced by 30 per cent. in comparison with the preceding year.

Paper.—Business has increased about 35 per cent. in consequence of shortage of the importation of European manufactured paper.

Vermilion.—This trade was practically at a standstill owing to the war.

Lard.—The trade in lard was normal, principally with Manila, where Hong Kong lard is accepted owing to the careful supervision exercised to ensure purity.

(*c.*)—FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—FORESTRY, AGRICULTURE, AND BOTANY.

On the bare hills north of Samshuipo 47,000 pine tree seedlings, one year old, were planted, and in the same locality 22,000 pits were sown with pine tree seeds.

In the Tytam catchment area 14,000 pits were sown with pine tree seeds, and at Aberdeen, Shunway, and Aplichau 29 lbs. of pine tree seeds were sown broadcast.

On grassy hills east of the south face of the Beacon Hill tunnel and around the Kowloon reservoir 272 lbs. of pine tree seeds were sown, and 50 lbs. on similar hills near Fanling.

About 90,000 pine tree seedlings were raised for planting in 1916.

Six thousand broad-leaved trees were planted in the Tytam catchment area, and about 1,000 in the Pokfulam catchment area.

Over 300 Poincianas were planted in various places in Hong Kong and Kowloon.

Between 1,800 and 1,900 flowering trees and shrubs were planted in conspicuous places in Hong Kong in addition to the Poincianas.

Upwards of 1,300 trees were planted along the Fanling-Taipo road. They consisted of Poincianas, Albizzia, and Camphor.

Alongside the road leading from Castle Peak to Fanling, 430 trees were planted consisting of Camphor, Poinciana, Ficus, Melaleuca, and Albizzia.

On the hills in the vicinity of the Fanling Golf Course over 7,000 trees and shrubs were planted, of which over 4,000 were planted to give an effect when in flower.

Creepers damaging trees in plantations on Mt. Victoria, Mt. Gough, Mt. Kellett, and Mt. Parker were cut.

A large felling of pine and broad-leaved trees was made at North Point in order to enable material to be obtained for reclamation purposes.

Large fellings were also made on Farm Lots purchased by the Dairy Farm Co. for the cultivation of Guinea Grass.

About 6,000,000 square feet were cleared of undergrowth at the expense of the Government in connexion with anti-malarial measures.

In connexion with survey work about 700,000 square feet were cleared.

In the economic garden at Fanling vegetables were grown for demonstration purposes. Several experiments were also made with artificial fertilizers.

The first rice crop was good but the second was poor in many places owing to the lateness of the rains. Much damage was done to the latter crop by typhoons which occurred just before harvesting.

Lichees were below the average, but peanuts were good.

III.—EDUCATION.

No important changes have taken place in the Education Department during the year under review. The staff has been depleted by causes due to the war.

The Hong Kong University is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

At the end of the year the number of students was 172, 101 of whom were taking Engineering, 37 Medicine, and 34 Arts. While most of the students have studied in Hong Kong schools a number came from Canton, the coast ports of China, and the Straits Settlements.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,000 per annum; whereas at Hong Kong the expenses of the University are $540 per annum for board and tuition, or, including extras, from $600 to $650.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hong Kong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connexion it is interesting to note that the Chinese residents of Hong Kong recently subscribed a large sum for levelling a new playing field and that the work has just been completed.

The University is composed of three Faculties: 1.—Medical, which offers unexampled facilities for the practice of medicine. The anatomical laboratories were the gift of a Cantonese gentleman (Mr. Ng Li-hing). There is a large staff of instructors in medicine: all the principal doctors of Hongkong give lectures at the University. 2.—Arts. The establishment of the Faculty was largely due to the munificence of a Chinese gentleman in the Straits Settlements (Mr. Cheung Pat-sze). Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. The course of instruction comprises English and Chinese literature, political and constitutional history, political economy, jurisprudence, and international and commercial law.

The largest of the Faculties is that of Engineering, to which nearly two-thirds of the students belong. It is divided into three branches: Civil, Electrical, and Mechanical. The University has an exceptionally large equipment of machinery and apparatus, and has fourteen laboratories and workshops in working order. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management.

The University insists upon all students having a proper knowledge of their own language, although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese Professors, both Hanlin graduates, give lectures on the classics and history of China.

IV.—PUBLIC WORKS.

The Mongkoktsui breakwater and contingent works were completed in August, a stone commemorating the event being laid by His Excellency Sir F. H. May, K.C.M.G., LL.D., on the 16th December. The works were completed in two months under the contract time of five years.

The total expenditure to the end of 1915 was $2,181,571.91, a small balance remaining to be paid in 1916, to cover which and other small items a sum of $30,000 has been provided in the 1916 estimates.

The breakwater is 3,325 feet in length, and encloses an area of 165 acres. Entrances to the refuge are provided at both ends of the breakwater, the southern being 390 feet and the northern 300 feet in width.

In addition to the breakwater, the work comprised a concrete and masonry pier, 450 feet long by 30 feet wide, and a reclamation extending over a rocky shoal near the northern entrance. The reclamation has an area of 187,100 square feet, and is protected partly by a pitched slope and partly by a concrete and masonry sea-wall. A short masonry pier-head projects from the reclamation.

The depth of water at the entrances at L.W.O.S.T. is 18 feet, the depth within the shelter varying from 9 feet to 18 feet; 82 per cent. of the enclosed area has a depth exceeding 12 feet at L.W.O.S.T., and 56 per cent. has a depth exceeding 15 feet.

The breakwater consists of a rubble mound 192 feet in width at the base, 20 feet at the top, and 44 feet in height. It is faced above L.W.O.S.T. with concrete blocks on the outer side and coursed granite rubber pitching on the inner side, and is paved on top with concrete blocks. A trench of an average depth of 9 feet was dredged in the harbour bottom for the entire length and width of the base of the breakwater prior to the deposition of rubble. The rubble mound is composed of stone varying in weight from ½ cwt. to 5 tons, the total quantity deposited being about 850,000 tons.

In all, 12,453 concrete blocks were used in the work, of which 11,379 were pitching and paving blocks of 2 tons each, and the remainder principally foot-blocks for the inner slope, which were of the same weight. The foot-blocks for the heads of the breakwater, which are of granite encased in concrete, are much heavier, weighing over 5 tons each, and the foot-blocks for the outer slope are wholly of granite and weigh 3½ tons each. The granite pitching stones for the for the inner slope averaged ½ ton in weight, 17,098 being used.

The large masonry dam of the Tytam Tuk reservoir was constructed to a height of 49 feet above the stream-bed, or a total height of 90 feet from the lowest part of the foundations, and, towards the end of the year, a considerable quantity of water was impounded. The laying of two additional cast iron pumping mains, 18 inches diameter, was completed. An extension of the pumping station buildings to accommodate the additional pumping machinery, the whole of which arrived from England, was nearly completed. The new boilers were set and a commencement was made with the erection of the pumping engines.

The repairing and coaling depôt for Government launches at Yaumati, described in last year's Report, was completed, except the carriage and hauling gear for the slipway and the erection of the pier. It was decided to instal an electric capstan for hauling up vessels on the slipway. The ironwork for the pier did not arrive until the latter part of the year.

In connection with a proposal by the Hong Kong and Kowloon Wharf and Godown Co. to erect a pier, having a depth of 30 feet alongside at the lowest tides, at their Kowloon Point premises, the Government undertook to dredge the berths alongside the pier and some shoals obstructing the approach to it, the Company contributing $12,000 towards the cost. A considerable proportion of the dredging had been completed by the close of the year.

Railway.

The building of the new terminal station at Kowloon has made satisfactory progress during the year and it is expected to be opened to the public probably about April next.

A thoroughly up-to-date mechanical interlocking signal apparatus has been installed in Kowloon station yard by the Railway Signal Company, Limited, and all signals within station limits, as well as the Holt's Wharf level-crossing gates, are now controlled from a cabin situated at the north end of Kowloon station yard.

Repairs of a substantial nature to the embankment pitching on the coast line between mile 7½ and 14 have now been completed, and no further trouble may be expected from this source in the near future.

Owing to the late delivery from England of the permanent way materials required for the extension to the locomotive yard, this work has been delayed. The enlarging of the paint shop and locomotive shed was commenced and brickwork carried to roof level in readiness for the steelwork ordered from home, which had not arrived at the end of the year.

The three new main line locomotives ordered from England in 1914 arrived in the Colony in May and were erected and have rendered satisfactory service since they were taken over by the Traffic Department. During March eight new coaches were added to the rolling stock, and underframes for four additional coaches were received during the year, and two coaches were completed and handed over by the contractors and the others were well in hand at the end of the year.

The year's expenditure chargeable to the Construction Account was $638,995.11.

The working expenses amounted to $297,265.97, and when compared with gross receipts show an increase; the percentage for the previous year being 75·25, while for 1915 it was 86·47; this is due to the decrease in earnings and to unforeseen heavy expenditure on repairs to the Manager's house, the widening of the platform at Sheung Shui Halt, and the erection of an additional Shelter for passengers at that Station, all of which have been paid for out of Revenue. The amount to be paid for rent for the use of Shum Chun Station was agreed during the year and a sum of $10,478.81 was paid over to the Chinese Section, being rent for accommodation for the period October, 1911, to June 30th, 1915.

The revenue derived from local traffic amounted to $129,094.83, or $2,286.59 less than 1914, and the earnings of through and joint sectional traffic were $207,622.20 or $18,114.41 below the previous year; this was mainly due to the decrease of 47,153 in the number of passengers carried as compared with 1914, which was an abnormal year owing to the depreciated Chinese Government notes being for some time accepted at face value by the Railway (Chinese Section). The Fanling Branch earnings amounted to $7,052.05, or $438.24 less than last year.

The excess of earnings over expenditure for 1915 was $46.503.11.

	1914.	1915.
Passengers booked by Stations in British Territory to Stations in China	277,512	271,382
Passengers booked by Stations in China to Stations in British Territory	353,722	326,839
Passengers travelling on the British Section, Main Line	245,527	257,650
Passengers travelling on the British Section, Fanling Branch	48,997	47,928

V.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*.)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the Harbour.

The Civil Hospital contains 150 beds in 19 wards. 3,085 in-patients and 14,499 out-patients were treated during 1915 as against 2,742 and 13,828, respectively, in 1914. 384 cases of malarial fever were admitted as against 324 in 1914 and 254 in 1913; but the total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 356 cases as compared with the year 1914. The Maternity Hospital contains 12 beds for Europeans and 4 for Asiatics. 212 confinements occurred during the year as against 261 in 1914. The Victoria Hospital at the Peak contains 41 beds, and during 1915, 153 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 5 cases were treated in 1915, all being smallpox.

(*b*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 201 patients of all races were treated during 1915 and there were 4 deaths.

(c.)—The Tung Wa and other Chinese Hospitals.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst a Chinese house surgeon, trained in Western medicine, is a member of the hospital staff. There are 323 beds in the buildings and 4,796 patients were accommodated during 1915.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 58 beds, and during 1915, 7 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1915 was 1,059 and the expenditure $15,787.90. The number of labours in the Maternity Hospital was 428. The Government makes a grant of $300 per annum to these Hospitals.

To avoid the complete seclusion from friends and relatives which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of 3 acres and provides accommodation for 210 patients. The existing buildings contain 70 beds, and 1,904 patients were accommodated during 1915. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education, the Hong Kong University is an Aided Institution.

VI.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. It consists of a main building containing six wards with 26 beds, quarters for four nurses, a house for the Medical Officer in charge, and an operation block. A Maternity Ward, connected by a covered way with the main building, is in course of erection. The total cost of the buildings and their equipment has been more than $600,000. The hospital was erected in pursuance of the directions of the late Mr. Granville Sharp, who died on the 16th August, 1899, and who by his will gave the residue of his estate, amounting to more than $2,000,000, in trust "for the erection and maintenance of a Hospital "at Mount Kellet in this Colony to the Glory of God, and the good of "men; in loving memory of his sainted Wife Matilda Lincolne, the "same to be called "'Matilda Hospital'".

The management of the hospital is vested in a Governing Body consisting of:—

The Trustees for the time being of the will of the Testator.

The Bishop of the Diocese.

The Chaplain of St. John's Cathedral.

The Minister of the Union Church.

Four additional members.

The objects for which the hospital is established are:—

(*a*) To provide carry on and maintain a hospital for the benefit of patients primarily who are poor helpless and forsaken and to provide gratuitous medical relief to any such person suffering from disease or ill-health.

(*b*) The hospital shall be considered to be established as a Religious and Evangelistic Institution.

(*c*) The hospital is reserved for British, American, and European Patients.

It was the express wish of the Testator that the hospital should be quite self-supporting, and be able to maintain itself, and that it should be absolutely unnecessary at any time during the continuance of the institution to appeal to the public in any way for funds for its maintenance.

Among institutions recognised and encouraged, but not to any considerable extent supported, by Government, may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls' Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1915 the number of persons admitted was 567 and at the close of the year 75 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under Mission auspices, founded for rescue work among the Chinese. It is now housed in the Belilios Reformatory and receives a small grant from the Government. It was temporarily closed after the outbreak of war.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866–9 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the mortuary. The dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are nine dispensaries in existence including one for the boat population on a hulk in Causeway Bay. The total cost of maintenance, which is defrayed by voluntary subscription, was $42,433.71 for the year 1915. The dispensaries are conducted by committees under the Chairmanship of the Secretary for Chinese Affairs.

VII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 9,460, being an increase of 643, or 7·29 per cent., as compared with 1914. There was in 1915 an increase in serious offences of 140, or 4·69 per cent., as compared with the previous year. The number of serious offences reported was 97 below the average of the quinquennial period commencing with the year 1911. The number of minor offences reported shows an increase of 503 as compared with 1914, and was 31 over the average of the quinquennial period.

VIII.—VITAL STATISTICS.

POPULATION.

The civil population of the Colony, according to the census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 509,160, but this includes the New Territories.

CLIMATE.

The mean shade temperature for the year at the Royal Observatory, Kowloon (108 feet above mean sea level) was 73·4°, the same as in 1913, and 1·1° higher than the mean for the past ten years. The maximum temperature was 93·4° on the 28th July and the minimum 41·7° on the 16th January. The hottest month was August, with a mean temperature of 83·5° and the coldest, January, with a mean temperature of 60·1°.

The temperature at the high levels of the Peak District is from 3° to 8° less than at the Observatory. At Victoria it is practically the same. The rainfall and humidity are considerably greater at the Peak than at Victoria, the Observatory, or Tai Po (New Territories).

The total rainfall for the year was 76·025 inches, as compared with an average of 82·35 inches during the ten preceding years. The wettest month was July, with 15·41 inches, the driest, January, when 0·345 inch fell. The greatest amount of rain which fell on any one day was 4·89 inches on the 19th October, while no rain fell on 219 days of the year. The mean relative humidity of the atmosphere for the year was 77 per cent., or 1 per cent. less than for the preceding ten years. The average daily amount of sunshine was 5·5 hours, being 45 per cent. of the possible duration.

IX.—POSTAL AND TELEGRAPH SERVICES.

The total revenue from the Postal Service in 1915 amounted to $368,457.77, being $31,542.23 less than that anticipated, which is mainly due to the reduced sale of postage stamps in consequence of the war. The expenditure amounted to $403,609.02. The result of the year's postal transactions shows a debit balance of $35,151.25.

X.—GENERAL OBSERVATIONS.

Throughout the year the Province of Kwangtung was generally speaking peaceful, the influence of His Excellency Lung Chai Kwong as Chiang Chung, or Military Governor, having a salutary effect. Depredations by pirates and armed robbers on the West River and other water ways in the delta, however, occasionally caused trouble, the chief local sufferers being the Conservancy Contractors for the City of Victoria and Kowloon, whose junks were held up on several occasions between Bocca Tigris and Wong Lin while being towed to the depôts at Wong Ling Village in the Shun Tak District. It appeared on investigation that for years past the contractors had been in the habit of paying considerable sums to the bands of pirates and robbers who infest the reaches of the Canton River in the neighbourhood of Bocca Tigris in order to obtain immunity from molestation, and on a refusal to pay increased demands the junks were attacked. Representations were made through H.B.M.'s Consul-General at Canton to the Provincial Authorities, which resulted in protection being afforded by patrols and in the punishment of some of the marauders.

There were no other serious acts of piracy during the year affecting the trade of Hong Kong or the lives and property of residents in the Colony, and this immunity must be attributed to the successful steps taken by the Provincial Government and in some measure to the successful working of the Piracy Prevention Ordinance referred to in the report of last year under the head of Legislation.

2. Even greater damage than in the previous year was caused by floods in the West River during the month of July. The water rose to a height unknown for seventy years, and the City of Canton itself was submerged to a depth of several feet.

The Government again contributed a sum of $50,000 to the Relief Fund which was at once organized, while the large sum of $551,238 was raised by public subscription including subscriptions from Chinese abroad. The credit for this fine result is due to the generosity of all sections of the community and to the commendable and efficient exertions of the Tung Wah Hospital.

The Committee appointed to administer the fund worked with great energy in affording immediate relief to the starving population, and measures are under consideration for carrying into effect engineering works which it is hoped will lessen the disastrous results of these periodical inundations.

3. The various relief funds in connection with the war were well supported during the year. It was decided to close the Prince of Wales's Fund on the 31st December, on which date the total sum raised in the Colony and its vicinity was £31,447 4*s.* 3*d.*

A committee representative of all sections of the community was constituted, with the title of the War Charities Fund Committee, to receive subscriptions from the public to War Charities in general and to support such charities as may be considered desirable from time to time, any subscriptions specially earmarked for a particular charity being applied as desired.

4. During the year good progress was made with the winding up of enemy firms in the Colony. Dulness of trade and difficulties in bringing forward cargo from enemy steamers which had sought refuge on the outbreak of war in neutral ports imposed inevitable delays.

5. By the end of the year every Briton not physically unfit or specially excused on the ground of the performance of other work for the Colonial Government had joined the local Volunteer Force, the members of which have rendered excellent service in the defence of the Colony. During the year 135 persons, the large majority of whom were resident in the Colony and 63 of whom were members of the Volunteer Corps, left the Colony to join the armies in England. Enlistment for the Special Police Reserve organised under the Special Police Reserve Ordinance No. 27 of 1914 began in February, and the number of members now amounts to over five hundred. There are four companies, consisting of No. 1 Europeans and Indians, No. 2 Portuguese, Nos. 3 and 4 Chinese. There are also a maxim gun section, a motor bicycle section, a mounted section, and an ambulance corps composed of Chinese. A band has been formed among the Portuguese. The Reserve is under the command of a Deputy Superintendent, Mr. F. C. Jenkin, a barrister-at-law, who had previous experience as a volunteer officer in England. The marked success which has attended the formation of the Reserve is in a great measure due to the close personal attention given by Mr. Jenkin to every detail of the organisation, and to the exceptional tact and firmness with which he has carried out his duties.

6. On the 8th March a tiger was killed at Lung Kwat-tau, near Fanling in the New Territories, but before being disposed of it unfortunately caused the death of European Police Constable E. Goucher and an Indian Police Constable Rattan Singh. The tiger was exhibited the same afternoon at the City Hall, Hong Kong, and the head is now in the Museum.

7. Mr. M. J. Breen continued to act as Assistant Colonial Secretary until the return of Mr. A. G. M. Fletcher from leave on the 9th March.

CLAUD SEVERN,

Colonial Secretary

25th May, 1916.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
857	Bechuanaland Protectorate	1914–1915
858	Basutoland	,,
859	Gold Coast	1914
860	Jamaica	1914–1915
861	Gambia	1914
862	Straits Settlements	,,
863	Northern Territories of the Gold Coast	,,
864	Ashanti	,,
865	Cyprus	1914–1915
866	Swaziland	,,
867	Somaliland	,,
868	British Honduras	1914
869	British Solomon Islands	1914–1915
870	Tongan Islands Protectorate	,,
871	Barbados	,,
872	Falkland Islands	1914
873	Uganda	1914–1915
874	British Guiana	,,
875	Mauritius	1914
876	Leeward Islands	1914–1915
877	Trinidad and Tobago	,,
878	Nigeria	1914
879	Cayman Islands	1914–1915
880	St. Lucia	,,
881	East Africa Protectorate	,,
882	Imperial Institute	1914
883	Nyasaland	1914–1915
884	Gilbert and Ellice Islands	,,
885	Weihaiwei	1915
886	Zanzibar	,,
887	Fiji	,,
888	Sierra Leone	,,
889	Turks and Caicos Islands	,,
890	Gambia	,,
891	Trinidad and Tobago	,,

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907-8 and 1908-9.
80	Nyasaland	Mineral Survey, 1908-9.
81	Southern Nigeria	Mineral Survey, 1908-9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.

COLONIAL REPORTS—ANNUAL.

No. 923.

HONG KONG.

REPORT FOR 1916.

(ABRIDGED.)

(For Report for 1915 see No. 892.)

Presented to Parliament by Command of His Majesty

August, 1917.

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No. 923.

HONG KONG.

(For Report for 1915 see No. 892.)

THE GOVERNOR TO THE SECRETARY OF STATE.

Government House,
Hong Kong,
16th May, 1917.

Sir,

I have the honour to transmit herewith six copies of the Colonial Secretary's report on the Blue Book for 1916.

I have, etc.,
F. H. MAY,
Governor, &c.

The Right Honourable
Walter Long, M.P.,
etc., etc., etc.

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REPORT ON THE BLUE BOOK FOR 1916.

I.—FINANCES.

The revenue for the year amounted to $13,833,387, being $2,424,377 more than the estimate and $2,047,280 more than the revenue for the previous year.

Compared with the returns for 1915 there were increases under every head with the exception of Light Dues.

The expenditure amounted to a total of $11,079,915, inclusive of a sum of $1,246,871 spent on Public Works Extraordinary.

The total expenditure brought to account though not incurred solely on account of the year under review amounted to $11,079,915, being $802,859 less than the estimate, and $4,069,353 less than the expenditure in 1915. Compared with the estimates there were decreases under 21 heads as against 4 heads where there were increases. The excess, amounting to $205,205, under Miscellaneous Services, was due to expenditure on account of the War, including the cost of the transport of prisoners of war to Australia. Military Expenditure was larger than the estimate by $72,375. The Harbour Department spent $41,595 extra, chiefly on special expenditure for acquisition of buoys in the harbour. Decreases were mostly due to savings on Personal Emoluments and high exchange.

The balance to the good on the year's working was $2,753,472, and the assets and liabilities account showed on the 31st December a credit balance of $2,300,785.

The following is a statement of the revenue and expenditure of the Colony for the five years 1912–1916:—

	Revenue.	*Expenditure.*
	$	$
1912	8,180,694	7,202,553
1913	8,512,308	8,658,012
1914	11,007,273	10,756,225
1915	11,786,106	15,149,267
1916	13,833,387	11,079,915

The amount of the consolidated loan stands at £1,485,732. Against this there is at credit of the Sinking Fund a sum of £233,784.

A duty on tobacco was imposed during the year, estimated to bring in about $400,000 per annum. The actual figure collected for about a half-year was $211,180.

The currency of the Colony consists, in addition to the notes of the Hong Kong and Shanghai Bank, Chartered Bank of India, Australia & China, and Mercantile Bank of India, of British, Hong Kong, and Mexican dollars and of subsidiary coin.

The rate of discount on Hong Kong subsidiary coin disappeared during 1916. It ranged from ten per cent. to par at the end of the year.

Bank notes also were at par value at the close of the year.

The total issue of subsidiary coins, less those demonetized, now amounts to $21,264,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten-cent pieces of the face value of $5,028,000 were shipped to England for purposes of demonetization. The discount which has prevailed since 1905 may be attributed to the immense quantity of similar coin which has latterly been minted at Canton as well as to the amount of Hong Kong coin minted largely in excess of the needs of the colony by itself. In 1905 the Hong Kong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetizing all its subsidiary coin received as revenue. This policy has been continuously followed since except during a brief period in 1911. Coin to the face value of $22,735,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of about $44,000,000.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a*)—Shipping and Trade.

The total of the shipping entering and clearing at ports in the Colony during the year 1916 amounted to 642,794 vessels of 36,381,457 tons, which, compared with the figures for 1915, shows an increase of 11,192 vessels, with an increase of 2,496,538 tons.

Of vessels of European construction, 3,760 ocean steamers, 1 sailing ship, 4,669 river steamers, and 3,206 steam launches entered during the year, giving a daily average entry of 31·9 ships, as compared with 31·6 in 1915, and 32·4 in 1914.

The average tonnage of individual ocean vessels entering the port has decreased from 2,519·9 tons to 2,238·9 tons. That of British ships has decreased from 2,625 tons to 2,559·7 tons, while that of foreign ships has also decreased from 2,441·2 tons to 2,032.2 tons.

During the past twenty years the average tonnage of ocean-going vessels has increased from 1,319 tons to 1,826 tons.

The average tonnage of river steamers entering during the year has decreased from 486·9 tons to 453 tons.

That of British river steamers has decreased from 519·3 tons to 511·2 tons, and that of foreign river steamers has decreased from 414·4 tons to 364 tons.

British river steamers have increased by 371 ships and 104,198 tons, or 5·2 per cent. in numbers and 2·5 in tonnage, which is due to the fact that two steamers were added to the West River trade.

Foreign ocean-going vessels have increased by 124 ships or 3·3 per cent., but have decreased by 163,873 tons or 2·4 per cent. This is explained by the increase in Japanese and Chinese ships of smaller tonnage.

Foreign river steamers show an increase of 396 ships and 111,050 tons, or 17·3 per cent. in numbers and 1·7 per cent. in tonnage. This is due to several steamers which were previously on the Canton-West River trade having been placed on the Hongkong-West River trade carrying rice from July to December.

In steamships not exceeding 60 tons, employed in foreign trade, a decrease of 372 ships and 16,160 tons, or 5·7 per cent. in numbers and 7·6 per cent. in tonnage is shown. The decrease is most noticeable in launches trading to Macao, and may be put down to one of the launches being replaced by a vessel of over 60 tons.

Junks in foreign trade show a large decrease of 2,050 junks or 8·2 per cent., but an increase of 247,916 tons or 7·7 per cent. The decrease appears during the months of July, August, and September, in which months there was considerable unrest in the Canton delta.

In local trade, increases are shown in both steam launches and junks.

Steam launches show an increase of 112,050 ships and 2,609,970 tons, or 20 per cent. in numbers and 20·6 per cent. in tonnage, which is explained by an increase in number of launches plying in the harbour and more trips having been made.

Junks show an increase of 940 vessels and 93,280 tons or 2·6 per cent. in numbers and 6·4 per cent. in tonnage. This can only be ascribed to the better control of native craft, they having to report themselves at this office in order to obtain a permit to pass outward through the examination service.

The actual number of individual ocean-going vessels of European construction during 1916 was 717, of which 281 were British and 463 were foreign. In 1915 the corresponding figures were 724,310 British and 414 foreign.

These 717 ships measured 1,605,248 tons. They entered 3,761 times and gave a collective tonnage of 6,855,164 tons.

The 281 British ships carried 2,519 British officers and 56 foreign officers, the latter consisting of 19 Norwegians, 13 Americans, 11 Danes, 5 Swedes, 4 Japanese, 2 Dutch, and 2 Belgian.

Thus the proportion of foreign officers in British ships was 2·21 per cent., comprising seven nationalities, an increase of 1·31 per cent., with a decrease in number of officers and of ships.

The 436 foreign ships carried 3,252 officers, of whom 69 were British as follows:—

	1915.	1916.
In Chinese ships	55	49
,, United States ships	4	15
,, Japanese ships	7	4
,, Russian ships	0	1
	66	69

Thus, 2·12 per cent. of the officers serving in foreign ships were of British nationality, with an increase in number of officers and of ships.

The nationality of the crews in British and in foreign ships was as follows :—

	Vessels.		British Crew.		Americans and Europeans.		Asiatics.	
	1915.	1916.	1915.	1916.	1915.	1916.	1915.	1916.
British .	310	281	20,253	16,902	901	533	128,160	126,283
Foreign .	414	436	1,155	1,078	10,791	10,640	114,516	110,982
Total . .	724	717	21,408	17,980	11,692	11,173	242,676	237,265

Hence in British ships :—

1915.	1916.	
13·57%	11·76%	of the crews were British.
0·60%	0·37%	of the crews were other Europeans.
85·83%	87·87%	of the crews were Asiatics.

And in Foreign ships :—

1915.	1916.	
0·91%	0·88%	of the crews were British.
8·53%	8·67%	of the crews were other Europeans.
90·56%	90·45%	of the crews were Asiatics.

TRADE.

As pointed out in previous years the figures which are given are meagre, and of little value, being derived from reports of ship masters which are given in round figures and several items of cargo are only entered under the heading "General."

In a few cases, I can however give more accurate figures, and these are :—

IMPORTS.

These show a decrease of 26,946 tons compared with the year 1915.

Increases are shown under the headings :—Coal, cotton yarn and wool, hemp, kerosene oil in cases, rattan, rice, sandalwood, and sugar, while decreases are shown in beans, flour, kerosene oil in bulk, liquid fuel, timber, and general.

Beans.—A decrease of 10,812 tons is shown, due to Japanese competition : close proximity to Tientsin and Dalny with direct steamship lines and lower freight rates than Hongkong can procure.

The trade with America in this northern product together with that of peasants has gone over almost entirely to the Japanese, and what promised to be a large and lucrative business to Hongkong has been lost.

Coal.—There is an increase of 62,811 tons over the last year, which is due to local and Canton manufacturing concerns laying in stocks as a protective measure against advancing prices due to shortage of tonnage. A large part of the surplus coal is from Formosa and Yaeyama.

Cotton Yarn and Cotton.—Once again there is a decrease of 2,274 tons, due to most of the cargo being transhipment cargo.

Flour.—The decrease of 14,675 tons is due to Chinese flour competition and high prices ruling for American and Canadian product, also shortage of tonnage and high freight.

Kerosene Oil.—There is a decrease of 37,593 tons shown in bulk oil, which is due to falling off in demand on account of high price brought about by general war conditions, and what would appear to be an increase in case oil is really not so, as the demand has also fallen off as in bulk oil. Large stocks of case oil are carried over to the present year, and if conditions become worse, this apparent increase will be wiped out.

Liquid Fuel.—A decrease of 2,943 tons due to the scarcity of tank steamers.

Rice.—The increase of 71,144 tons is due to great demand from North and Central American market principally, which was formerly supplied by the European market when freights were low.

Timber.—A decrease of 31,477 tons chiefly accounted for by the stoppage of supplies of Oregon pine through high rates of freight, Philippine hardwood being used instead.

Opium.—The clearances of certified opium from the Colony during the past year were much reduced. After the first two months of the year the disturbances that took place in the Kwong Tung Province appear to have prevented the carrying out of the agreement which the Opium Combine entered into on October 1st, 1915. The actual imports and exports of certified opium during the year are as follows:—

	Malwa. *Chests.*	Patna. *Chests.*	Benares. *Chests.*	Total.
Import	—	31	4	35
Export	111	72	80	263

Of these, however, the imports all came from Shanghai, and of the total export of 263 chests 180 went to Shanghai. Very little was therefore done to reduce the actual stock of uncertified Indian opium held in Hong Kong and Shanghai.

Six hundred and forty-one (641) chests of Persian opium were imported during the year and 734 chests were exported, of which 29 chests were exported to London and the remainder to Formosa.

One thousand and thirty (1,030) chests of uncertified Indian opium were imported. 360 chests were imported by the Government monopoly, 500 chests were imported for the Macao opium farmer, and the remaining 170 chests were nominally intended for Mexico, but, owing to suspicious circumstances connected with the shipment, they were returned to Calcutta.

General Cargo.—The large decrease of 255,423 tons is due to shortage of supplies from manufacturers at home, on account of war conditions.

EXPORTS.

Exports show an increase of 140,869 tons.

Transit Cargo.—An increase of 158,313 tons is shown under this head.

Emigration and Immigration.

One hundred and seventeen thousand six hundred and fifty-three (117,653) emigrants left Hong Kong for various places during the year 1916, 68,275 in 1915. Of these, 86,739 were carried in British ships, and 30,914 in foreign ships.

Seventy-two thousand four hundred and five (72,405) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this Colony or from coast ports, as against 109,753 in 1915. Of these, 45,623 arrived in British ships and 26,782 in foreign ships.

Statement of Number of Emigrants to Straits Settlements,
1909 *to* 1916, *compared with Total Chinese Emigration.*

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1909	48,016 ..	77,430
1910	76,705 ..	111,058
1911	100,906 ..	135,565
1912	84,024 ..	122,657
1913	102,353 ..	142,759
1914	44,974 ..	76,296
1915	41,278 ..	68,275
1916	82,797 ..	117,653

(*b*)—INDUSTRIES.

(i)—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the years 1915 and 1916 :—

1915.

Taikoo Dockyard & Eng. Co., Ltd.	3 vessels of	2,780 gross tons and	1,400 I.H.P.
Hong Kong & Whampoa Dock Co., Ltd... ..	5 ,,	2,488 ,, ,,	3,240 ,,
Macdonald & Co... ..	1 ,,	33 ,, ,,	70 ,,
Kwong Fook Cheong ..	1 ,,	30 ,, ,,	72 ,,
Ah King	13 ,,	30 ,, ,,	127 ,,
Total	23 vessels of	5,361 gross tons and	4,909 I.H.P.

1916.

Macdonald & Co. ..	1 vessel of	23 gross tons and	80 I.H.P.
Taikoo Dockyard & Eng. Co., Ltd.	6 vessels	8,814 ,, ,,	6,800 ,,
Kwong Fook Cheong ..	3 ,,	641 ,, ,,	752 ,,
Kwong Hip Lung Co., Ltd.	4 vessels	521 ,, ,,	462 ,,
Kwong Sing Loong ..	1 vessel	36 ,, ,,	45 ,,
W. S. Bailey & Co. ..	7 vessels	449 ,, ,,	620 ,,
Hop On	1 vessel	43 ,, ,,	56 ,,
Kwong Lee	1 ,,	16 ,, ,,	24 ,,
Kwong Man Sang ..	2 vessels	136 ,, ,,	178 ,,
Tung Shing	1 vessel	75 ,, ,,	92 ,,
Kwong Hop Loong ..	1 ,,	32 ,, ,,	44 ,,
Ah King	23 vessels	56 ,, ,,	54 ,,
Sum Kee..	1 vessel	28 ,, ,,	50 ,,
Hong Kong & Whampoa Dock Co., Ltd. ..	2 vessels	32 ,, ,,	120 ,,
Total	54 vessels of	10,902 gross tons and	9,377 I.H.P.

The increase of tonnage built by the Taikoo Dockyard and Engineering Co., Ltd., is due to the building of vessels for the Straits Steamship Co. The Hong Kong & Whampoa Dock Co. had several large vessels building, which are not shown in the return.

Sugar Refineries.—The year 1916 was marked by a further increase in the price of already highly inflated raws. In spite of this clearances were on the whole good, a marked feature being the increasing demand for crystals from India and the Persian Gulf markets, which would have assumed very large proportions had it not been hampered by scarcity of tonnage and the very high level of silver.

Cotton Yarn.—The year has undoubtedly been a profitable one both for importers and dealers, although the volume of business has been smaller than that of previous years.

The political troubles in China had a restricting influence upon the market, and the anti-monarchical movement, with the fear of disturbances, affected business severely throughout the spring and early summer.

The war conditions now prevailing have driven prices of all commodities to a high level—American cotton reached the record price of 12½*d.* per lb. in November—which must necessarily curtail the offtake amongst the poorer consumers.

Another most important factor is the growth of the Japanese and Shanghai mill enterprises, which continue to make great progress, at the expense of Indian yarns, in the south as well as in other parts of China.

Rope Making.—There was a fair demand for Manila cordage throughout the year but the total turnover shows a falling off from that of the previous twelve months. The cost of raw material was still higher than the high figure it had reached at the end of 1915 and no doubt the consumption of the manufactured article was adversely affected by the consequent higher prices.

Cement.—There was a good demand throughout the year 1916. The price of cement rose but business with gold standard countries was, of course, adversely affected by the high rates of exchange which ruled during the latter part of the year. Nevertheless on the whole the turnover for the year shows an improvement on that of 1915.

Tin.—Business in this commodity has been reduced considerably in comparison with the preceding year, which, as already reported, was a poor one.

Imports from Yunnan for the whole year amounted to about 3,000 tons and from Kwang Sai about 1,000 tons against 7,000 tons and 1,000 tons respectively in 1915.

Export during the year was about 500 tons to Japan, 400 tons to Shanghai, and 2,300 tons to Europe, United States of America, and Canada.

There was also about 300 tons exported to China coast ports and interior.

Rattan and Fibre Furniture.—The business in these commodities has further declined about forty per cent. in comparison with the preceding year on account of the enormous increase in freight.

Native Tobacco.—The business this year has been increased by about twenty per cent. in comparison with 1915.

Tinned Goods.—On account of high cost of materials the price of tinned goods has been increased by twenty per cent. and in consequence the sale has been reduced by forty per cent.

Samshu.—The market and business has been the same as last year.

Vinegar.—The business has been almost the same as last year.

Knitted Vests and Socks.—The business has declined about twenty per cent. owing to high cost of materials.

Leather and Hides.—The market has advanced by about twenty-five to thirty per cent. in comparison with the preceding year and the business throughout the year has been good.

Ginger and Preserves.—The business in this produce has declined about fifty per cent. in comparison with the preceding year.

Soy.—Exports have been very poor and business has been reduced by fifty per cent. in comparison with the preceding year.

Paper.—Import of this article has been very limited and in consequence the consumption of Chinese paper has been increased by about twenty per cent.

Vermilion.—Business has been very dull, a reduction of forty per cent. in comparison with last year having to be recorded.

Lard.—The business has been very dull, owing to an increase in cost price of about thirty per cent. and the export was limited.

(*c*)—FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d*)—FORESTRY, AGRICULTURE, AND BOTANY.

About 40,000 pine tree seedlings were planted on the hills around the Fanling Golf Course, over 15,000 in the Cheungshawan catchment area, over 25,000 in the Tytam catchment area, 10,000 on the hills north of Kowloon City, and 370 in King's Park.

Sixty-two (62) pounds of pine seed were sown broadcast in grassy areas on the south side of the Kowloon hills.

About 40,000 pine tree seedlings were raised for planting in 1917.

Nearly 6,000 flowering trees and shrubs were planted on the hills in the vicinity of the Fanling Golf Course in addition to those already mentioned.

Creepers damaging trees in the Pokfulam, Aberdeen, and Wongneichong forests were cut.

A block of between 20 and 30 acres of pine trees was felled near Pokfulam.

It will not be necessary to replant this area as the ground is well covered with broad-leaved trees and young pines.

Large fellings of pine trees were also made on farm lots belonging to the Dairy Farm Company.

Over 5,000,000 square feet were cleared of undergrowth in connection with anti-malarial measures.

In connection with survey work nearly 1,000,000 square feet were cleared.

Vegetables were grown in the economic garden at Fanling for demonstration purposes.

Onions raised from seed obtained from Teneriffe matured and were a great success.

The first rice crop was good but the second was poor generally.

Lichees and peanuts were fair.

(e)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown land and pier rights for the year 1916 was $203,234, an increase of $123,658 on the preceding year and $6,351 greater than the average for the past five years.

The principal items were $30,410 in respect of extensions of the sites of Kowloon permanent piers Nos. 23, 24, 25, and 34, $43,000 on the sale of Kowloon Inland Lot No. 1304, $40,480 on the sale of Kowloon Inland Lot No. 1301, and $15,000 in respect of an extension to Marine Lot No. 321.

In the New Territories the net amount received for premium on sales of land was $144,835, being an increase of $131,593 on the preceding year. The principal items were $75,000 for New Kowloon Inland Lots Nos. 115 to 138 and $48,600 for a large area in the Ping Shan District.

The number of deeds registered in the Land Office was 2,670 or 516 more than the previous year, the total consideration being $42,291,549 as against $30,250,789 in the previous year.

The Government resumed several properties at Hung Hom during the year in connection with the erection of carriage sheds for the railway, and also a large oyster bed in connection with the development scheme at Ping Shan.

The total area of land granted during the year was 1,855¾ acres, of which 1,819¾ acres were situated in the New Territories; the total area of land resumed was 1,345¾ acres; of which 1,211 acres was the area of the oyster bed above referred to.

In the Northern District of the New Territories there was an unprecedented demand for land, the revenue from this source far exceeding that of all previous years.

The scheme for the reclamation of an extensive area in Kowloon Bay is being carried out by a Chinese syndicate for the purpose of making a residential district for Chinese.

III.—LEGISLATION.

Fifteen Ordinances were passed during 1916, of which four were amendments of previous Ordinances.

The War Loan Ordinance (No. 12) provided for the raising of a sum of $3,000,000 as a gift to the Imperial Government for the purposes of the War.

IV.—EDUCATION.

No important changes have taken place in the Education Department during the year under review. The staff has been depleted by causes due to the War.

The most important schools, apart from the excluded schools, are Queen's College for Chinese, four district schools its feeders, and the Belilios Public School for Chinese girls. There is an Indian School of growing importance now housed in a new building presented to the Colony by Mr. Ellis Kadoorie. Kowloon School and Victoria School for children of British parentage have an average attendance of about 120. There is also a school for the children of the Peak district. The Diocesan School and Orphanage and St. Joseph's College are important boys' schools in receipt of an annual grant. The Italian, French, and St. Mary's Convents, and the Diocesan Girls' School, are the most important of the English grant schools for girls.

The Hong Kong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1916 in mathematics, machine drawing, architectural design, and building construction ; in chemistry, physics and electricity ; in commercial English, logic and political economy ; in French, shorthand and book-keeping ; and in translation from and into Chinese. Classes in sanitation (public hygiene) are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London. Classes for men and women teachers, both " English " and " Vernacular," are a feature of the Institute.

The lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The Hong Kong University is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

At the end of the year the number of students was 189, 108 of whom were taking the engineering course, 52 medicine, and 29 arts. While most of the students have studied in Hong Kong schools, a number come from Canton, the Coast Ports of China, and the Straits Settlements.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost ; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,000 per annum ; whereas at Hong Kong the expenses of the University are $540 per annum for board and tuition, or, including extras, from $600 to $650.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hong Kong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connection it is interesting to note that the Chinese residents of Hong Kong recently subscribed a large sum for levelling a new playing field and that the work has just been completed.

The University is composed of three Faculties: 1.—Medical, which offers ample facilities for the practice of medicine. The anatomical laboratories were the gift of a Cantonese gentleman (Mr. Ng Li-hing). There is a large staff of instructors in medicine and all the principal medical practitioners in Hong Kong give lectures at the University. 2.—Arts. The establishment of this faculty was largely due to the munificence of a Chinese gentleman in the Straits Settlements (Mr. Cheung Pat-sze). Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. The course of instruction comprises English and Chinese literature, political and constitutional history, political economy, jurisprudence, and international and commercial law. 3.—Engineering. Nearly two-thirds of the students belong to this faculty. It is divided into three branches—civil, electrical and mechanical. The University has an exceptionally large equipment of machinery and apparatus, and has fourteen laboratories and workshops. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management.

The University insists upon all students having a proper knowledge of their own language although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese Professors, both Hanlin graduates, give lectures on the classics and history of China.

An account of the first congregation for conferring degrees, and of the benefactions during the year 1916 will be found under Section XI—General Observations.

V.—PUBLIC WORKS.

A large extension of the Central Police Station, by the erection of a new block of buildings fronting on Hollywood Road, to contain offices, quarters, etc., was commenced, the foundations being well advanced at the close of the year.

The masonry dam of the Tytam Tuk reservoir was constructed to an average height of about 111 feet above the stream bed (152 feet above the lowest part of the foundations), with the exception of a short length of 75 feet which was purposely kept at a lower level to form a temporary overflow.

The extension of the pumping station buildings to accommodate the additional pumping plant was completed and the erection of the pumping engines was practically completed.

Several new streets, both in the city and in Kowloon, were formed, kerbed, channelled, and surfaced.

An additional telephone cable was laid across the harbour from North Point to near the Hunghom Docks.

Upwards of 7,000 lineal feet of streams were trained in the neighbourhood of Aberdeen, Pokfulam, Sookunpo Valley, in the City and Hill

District, and in Kowloon. Various and considerable extensions of sewers, in connection with new building lots, were carried out in Hong Kong and Kowloon.

The steel pier in connection with the repairing and coaling depôt for Government launches at Yaumati, referred to in last year's report, was erected and a slipway cradle was constructed. The electric capstan for operating the cradle had not, however, arrived from England by the close of the year.

The dredging to a depth of 30 feet at the lowest tides alongside the new pier erected by the Hong Kong and Kowloon Wharf and Godown Company and of the approaches to it were completed during the year.

The construction of the additional service reservoir and filter beds for the supply of the western section of the City was proceeded with, substantial progress being made with the work.

The additional filter bed in connection with the Kowloon Water Works was completed, making four beds in all.

The total amount expended on public works extraordinary was $1,247,623.89* and on annually recurrent works $630,187.68.†

Railway.

The new terminal passenger station at Kowloon, which was commenced on March 1st, 1914, was completed and opened to the public on March 28th, and the commodious accommodation now provided is much appreciated by the travelling public and the staff alike. The railway offices on the first floor were occupied about one month later and, after the disadvantages experienced during the occupation of temporary offices and makeshift buildings, proved a boon to organisation and regular work.

The temporary offices and station were demolished during the year, and the large area in front of the building was kerbed and surfaced by the Public Works Department.

During the year the extension to the locomotive yard, which included the laying of about 2,430 yards of new track and 18 sets of crossings, was completed, as also the extension of the locomotive shed by 112 feet. The completion of the new running shed, 500 feet by 30 feet, mentioned in my last year's report, was, however, delayed by the difficulty in obtaining possession of a small lot of house property standing on the site. As the original roofing ordered for these two buildings was unobtainable, and the asbestos-cement corrugated roofing sent out from England as a substitute proved to be totally unsuitable to the requirements of this country, it was decided to construct the running shed in reinforced concrete and brickwork, roofed with marseilles tiles, while a reinforced concrete roof was adapted to the locomotive shed extension.

In February, the tramway system was adopted on the Fanling branch line, seven new halts were made and a two cent. fare charged between each. This has so far proved a success and seems to be appreciated, as the earnings of the line show an increase of $3,923.17

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* A sum of $752.14 was credited to one of the sub-heads, thus making the expenditure appear as $1,246,871.75.

† A sum of $5,315.17 was credited to one of the sub-heads, thus making the expenditure appear as $624,872.51.

over the previous year, the number of passengers carried being 67,608 as against 47,928 in 1915.

One first class restaurant car was completed by the Hong Kong and Whampoa Dock Company and placed in service during April, but, owing to late delivery from England of the fittings, the work on the first and second class composite carriage had to be suspended for several months. These fittings have now arrived and the coach will be completed and available for service early in 1917.

The estimated capital expenditure for the year was $386,198 but, owing to the delay in the delivery of materials from England, only $209,388.74 of this sum was required and, after the deduction of $10,670.25 received by sales of old construction plant and materials, the year's expenditure amounted to $198,718.49.

The construction cost of the main line to end of the year now stands at $14,710,917.29 and of the Fanling Branch at $89,808.57.

The working expenses amounted to $296,691.63 or $574.34 less than the previous year and when compared with gross receipts show a decrease, the percentage being 81·02 against 86·47 for 1915.

The revenue derived from local traffic amounted to $141,799.41 or $12,704.58 more than in 1915 and the earnings of through and joint sectional traffic $213,441.04 against $207,622.20 for 1915. Fanling branch receipts increased from $7,052.05 to $10,975.22.

The excess of earnings over expenditure for 1916 was $69,524·04, an increase of $23,020.93 when compared with the previous year.

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the harbour.

The Civil Hospital contains 150 beds in 19 wards. 3,058 in-patients and 12,620 out-patients were treated during 1916 as against 3,085 and 14,199 respectively in 1915. 360 cases of malarial fever were admitted as against 384 in 1915 and 324 in 1914. But the total cases of malaria for all Government Hospitals and the Tung Wa Hospital show an increase of 684 cases as compared with the year 1915. The Maternity Hospital contains 12 beds for Europeans and 4 for Asiatics. 259 confinements occurred during the year as against 212 in 1915. The Victoria Hospital at the Peak contains 41 beds, and, during 1916, 201 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 30 cases were treated in 1916, all being smallpox.

(*b*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 237 patients of all races were treated during 1916 and there were 6 deaths.

(c)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the medical department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 323 beds in the buildings and 5,480 patients were accommodated during 1916.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 58 beds and during 1916, 171 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1916 was 1,731 and the expenditure $14,961.52. The number of labours in the Maternity Hospital was 550. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 70 beds and 2,490 patients were accommodated during 1916. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education, the Hong Kong University is an aided institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. It consists of a main building containing six wards with 26 beds, quarters for four nurses, a house for the medical officer in charge, and an operation block. A maternity ward is connected by a covered way with the main building, and was completed during 1916. The total cost of the buildings and their equipment has been more than $600,000. The hospital was erected in pursuance of the directions of the late Mr. Granville Sharp, who died on the 16th August, 1899, and who by his will gave the residue of his estate, amounting to more than $2,000,000, in trust "for the erection and maintenance of a hospital at Mount Kellet in this Colony to the Glory of God, and the good of men; in loving memory of his sainted wife Matilda Lincolne, the same to be called Matilda Hospital."

The management of the hospital is vested in a governing body consisting of:—

The Trustees for the time being of the will of the Testator.
The Bishop of the Diocese.
The Chaplain of St. John's Cathedral.
The Minister of the Union Church.
Four additional members.

The objects for which the hospital is established are:—

(*a*) To provide, carry on, and maintain a hospital for the benefit of patients primarily who are poor, helpless, and forsaken, and to provide gratuitous medical relief to any such person suffering from disease or ill-health.

(*b*) The hospital shall be considered to be established as a religious and evangelistic institution.

(*c*) The hospital is reserved for British, American, and European patients.

It was the express wish of the testator that the hospital should be quite self-supporting, and be able to maintain itself, and that it should be absolutely unnecessary at any time during the continuance of the institution to appeal to the public in any way for funds for its maintenance.

Among institutions recognised and encouraged, but not to any considerable extent supported, by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls' Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1916 the number of persons admitted was 590 and at the close of the year 78 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866–9 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence; the one for the boat population on a hulk in Causeway Bay was dispensed with and amalgamated with the Yaumati Dispensary. The total cost of maintenance, which is defrayed by voluntary subscription, was $39,766.07 for the year 1916. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the police was 11,319, being an increase of 1,859 or 19.65 per cent. as compared with 1915. There was in 1916 an increase in serious offences of 396 or 12.68 per cent. as compared with the previous year. The number of serious offences reported was 49 over the average of the quinquennial period commencing with the year 1912. The number of minor offences reported shows an increase of 1,306 as compared with 1915 and was 497 over the average of the quinquennial period.

The total strength of the Police Force in 1916 was Europeans 165, Indians 463, Chinese 587, making a total of 1,215 (as compared with 1,289 in 1915) exclusive of the five superior officers and staff of clerks and coolies. These figures include police paid for by the Railway and other Government Departments. Of this force 14 Europeans, 137 Indians, and 30 Chinese were stationed in the New Territories during the year, under an Assistant Superintendent.

Up to the end of the year forty-one members of the Hong Kong Police Force had enlisted for active service and twenty more were ready at end of the year to proceed to England.

The following members of this Force were killed while on active service during the year :—

P.C.	A 25 Herbert George Wakeford ..	.. K.R.R.	killed on	17. 5.16
,,	A 52 Arthur Allchurch ..	.. ,,	,,	1. 7.16
,,	A 27 Ernest George Painting	.. ,,	,,	1. 7.16
,,	A 114 Peter Boyd Gardner ..	.. R.F.C.	,,	4.12.16

IX.—VITAL STATISTICS.

(*a*)—POPULATION.

The civil population of the Colony, according to the census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 528,010, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 431,510, of whom 13,390 were non-Chinese.

(*b*)—PUBLIC HEALTH AND SANITATION.

The activity in building operations which has been so noticeable a feature since 1912 has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hong Kong during 1911, 1912, and 1913 elected to remain in the Colony.

The corrected birth-rate for the year was 8·1 per 1,000 among the Chinese community and 20·05 per 1,000 among the non-Chinese community, as compared with 8·4 and 13·2 during 1915.

The death-rate for the year was 24·6 per 1,000 among the Chinese community and 15·08 among the non-Chinese community, as compared with 19.0 and 9·4 during 1915.

The number of deaths from malaria (378) shows an increase on the previous year (366). The deaths of Chinese from this cause in the City of Victoria numbered 182 out of a population of 270,300 or a rate of 0·6 per 1,000 per annum.

The deaths from plague numbered 39 as compared with 144 in 1915.

Small-pox deaths numbered 542, all Chinese, with the exception of three British and one each American, Portuguese, and Indian.

There were 2,112 deaths from respiratory diseases among the Chinese, as compared with 2,303 in 1915. Pulmonary tuberculosis and phthisis claimed 963 Chinese victims, while other forms of tuberculosis represent an additional 554 deaths, making a total of 1,517 or 14·4 per cent. of the total deaths among that community.

Beriberi was responsible for 517 deaths, as compared with 398 during 1915 and 399 in 1914. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that beriberi is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice, when fresh meat or fresh fish cannot be afforded.

(*c*)—CLIMATE.

The mean shade temperature for the year at the Royal Observatory, Kowloon (108 feet above mean sea level), was 71°·8, 1°·6 lower than in 1915, and 0°·4 lower than the mean for the past ten years. The maximum temperature was 92°·4 on the 25th August and the minimum 39°·3 on the 24th January. The hottest month was July, with a mean temperature of 82·7, and the coldest, February, with a mean temperature of 59°·6.

The temperature at the high levels of the Peak District is from 3° to 8° less than at the Observatory. At Victoria it is practically the same. The rainfall and humidity are considerably greater at the Peak than at Victoria, the Observatory, or Tai Po (New Territories).

The total rainfall for the year was 79·855 inches, as compared with an average of 82·56 inches during the ten preceding years. The wettest month was June with 32·18 inches, the driest, December, when 0·05 inch fell. The greatest amount of rain which fell on any one day was 9·12 inches on the 1st June, while no rain fell on 245 days of the year. The mean relative humidity of the atmosphere for the year was 76 per cent., or the same as for the ten preceding years. The average daily amount of sunshine was 5·7 hours, being 47 per cent. of the possible duration.

X.—POSTAL AND TELEGRAPH SERVICES.

The total revenue from the Postal Service in 1916 amounted to $401,742.33, being $33,284.56 more than that collected in 1915, the excess being mainly due to increase in the sale of postage stamps. The expenditure amounted to $308,136.33 being less than that of 1915 by $95,472.69, due to arrears of transit dues for the year 1914 recovered in 1916 and to the high rate of exchange prevailing during the year under review. The balance of revenue over expenditure amounted to $93,606.00.

The revised parcel agreement with the Commonwealth of Australia came into operation on 1st January.

The Parcel Agreement with Russia, which provides for the exchange of parcels between that country and this Colony *via* Vladivostock, arranged to commence on 1st September, had to be suspended, owing to congestion of traffic on the trans-Siberian railways.

The telegraphic money order service between the United Kingdom and this Colony came into force on 1st October.

The revenue collected in 1916 from radio-telegrams amounted to $8,695.04. Advices of ships signalled at the lighthouses yielded

$489.20 and semaphore messages $4.25 making a total of $9,188.49 for the telegraphic service. The expenditure amounted to $10,846.21, which figures do not include the emoluments of the wireless staff at the Cape D'Aguilar Station. The number of radio-telegrams forwarded during the year was 686 and received 1,098.

XI.—GENERAL OBSERVATIONS.

In accordance with instructions received the Blue Book, for economical reasons, was revised with a view to reducing the bulk. The weight of each volume has been reduced by 1·3 lbs. compared with those for 1915, or a total saving of 245 lbs. of paper.

In the early part of the year the unrest in the Province of Kuangtung culminated in attacks on the City of Canton from the north and west. Business was almost entirely suspended and there was considerable loss of life. As usual in such circumstances there was a very large influx of refugees to Hong Kong both from Canton and the neighbouring districts. Though order was restored there was only a moderate revival of trade with the Province up to the end of the year.

There were no serious acts of piracy in connection with British shipping during the year, but the train to Hong Kong was derailed and attacked by robbers about twenty miles from Canton on the 15th June. Three persons lost their lives and twenty-six were injured. One of those killed was an American; all the remainder were Chinese.

During the year the War Charities Committee received a sum of £32,692 which brought the total of the contributions to various funds in aid of the War up to a sum of £64,192.

The Queen Mary's Needlework Guild, The Hong Kong Association of War Workers, and other bodies of ladies engaged in war work were unremitting in their labours throughout the year, with the result that many thousands of articles of clothing, bandages, etc., were despatched to the various war centres for the use of the troops and in hospitals.

October 19th was observed as "Our Day" when a sum of nearly £5,000 was raised for the British Red Cross Society.

St. Andrew's Day, the 30th November, was entitled "Heather Day" and a sum of about £1,600 was collected for Scottish war charities.

The Colony's recurrent expenses on account of the War during 1916 are expected to exceed $500,000.

In November a loan of $3,000,000 guaranteed by the Government was raised as a gift to His Majesty's Government for war purposes, and a further sum of $2,000,000 was added when the accounts for the year were closed; other contributions from the Colony towards the War consisted *inter alia* of the following:—

(a)—Direct Contributions.

1.—British War Loans	£144,230
2.—Exchequer Bonds	633,360
3.—War Savings Certificates	58,334
4.—British War Expenditure Certificates ..	26,700
Total	£862.624

The Hong Kong and South China War Savings Association, though it had been established only two months, had already invested on behalf of its members nearly $200,000. The Committee consists of very representative men, with the Union Insurance Society of Canton as Honorary Secretaries and Treasurers.

(b)—Indirect Contributions.	(Straits Currency.)
1.—Federated Malay States 6 per cent. War Loan	$52,650
2.—War Loan Investment Trust of Malaya ..	24,030
3.—Straits Settlements War Loan Bonds.. ..	436,600
Total	$513,280

In addition, besides £1,145,000 contributed to War Loans by the Hong Kong and Shanghai Banking Corporation, large sums have been taken up in those loans by local Companies from funds available in London.

Three hundred and fifty-one volunteers for active service have left the Colony to join His Majesty's Forces.

The winding up of the German and Austrian firms is now approaching completion. Practically all the assets in all the liquidations have been realised, with the exception of a few leasehold properties and certain shares held by secured creditors. The leasehold properties will soon be sold, and the secured creditors referred to will be required to realise their securities.

In a few cases the completion of the winding up is delayed by litigation or other disputes with claimants.

One of the most notable events of the year was the first congregation of the University of Hong Kong, which was held on December 14th. The Chancellor (Sir F. H. May, K.C.M.G., LL.D., B.A., Governor of the Colony) having declared the congregation opened, a message from the President of the Republic of China was read.

The Vice-Chancellor (Sir Charles Eliot, K.C.M.G., D.C.L., LL.D., M.A.) then delivered an address, after which honorary degrees were conferred on the following :—

Sir F. D. Lugard, Governor-General of Nigeria, and first Chancellor of the University. (*In absentiâ*).

Monsieur Finot, Director of the French Institution in Hanoi, founded for the purpose of research in the literature and ancient civilisation of French colonial possessions.

Sir Robert Ho Tung, a merchant of Hong Kong, who for many years has been well known for his generous philanthropy and his interest in education. Since the foundation of the University he has been one of its most prominent supporters, among his benefactions being the endowment of a chair of clinical surgery.

Dr. Jeme Tien Yeow, a distinguished engineer in China, especially in connection with railway construction.

Dr. Wu Lien Teh, who, after a brilliant career at Cambridge and in medical schools in England and on the Continent, had done much useful work in China, including the stamping out of the plague epidemic in North Manchuria in 1910–11.

Captain Pelliot, Military Attaché at the French Legation in Peking, who has achieved great distinction for his investigation into the archæology of Central Asia. He served in the British Army during the earlier stages of the War and was awarded the Military Cross.

Twenty-three graduates in the Faculties of Medicine, Engineering, and Arts were then presented to the Chancellor, who conferred degrees upon them.

The Chancellor then addressed those assembled and, after the recipients of honorary degrees had returned thanks, declared the congregation closed.

The ceremony was performed in a dignified manner worthy of the occasion, while the message from the President of the Chinese Republic and the presence of the Civil Governor of Kuangtung did much to enhance the reputation of the University.

CLAUD SEVERN,

Colonial Secretary.

10th May 1917.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
886	Zanzibar	1915
887	Fiji	,,
888	Sierra Leone	,,
889	Turks and Caicos Islands	,,
890	Gambia	,,
891	Trinidad and Tobago	,,
892	Hong Kong	,,
893	Ashanti	,,
894	Gold Coast	,,
895	Malta	1915–1916
896	St. Helena	1915
897	Seychelles	,,
898	Bechuanaland Protectorate	1915–1916
899	Gibraltar	1915
900	Bahamas	1915–1916
901	Swaziland	,,
902	Somaliland	,,
903	Cyprus	,,
904	Ceylon	1915
905	Straits Settlements	,,
906	Grenada	1915–1916
907	Falkland Islands	1915
908	Bermuda	,,
909	Jamaica	1915–1916
910	British Guiana	1915
911	Basutoland	1915–1916
912	Barbados	,,
913	Leeward Islands	,,
914	Uganda	,,
915	British Honduras	1915
916	Mauritius	,,
917	Northern Territories of the Gold Coast	,,
918	St. Lucia	1915–1916
919	Nyasaland	,,
920	Nigeria	1915
921	East Africa Protectorate	1915–1916
922	Gilbert and Ellice Islands	,,

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement

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COLONIAL REPORTS—ANNUAL

No. 972.

HONG KONG.

REPORT FOR 1917.

(ABRIDGED.)

(For Report for 1916 see No. 923.)

Presented to Parliament by Command of His Majesty.

October, 1918.

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No. 972.

HONG KONG.

(For Report for 1916 see No. 923.)

REPORT ON THE BLUE BOOK FOR 1917.*

I.—FINANCES.

The revenue for the year amounted to $15,058,105, being $1,816,105 more than the estimate and $1,224,718 more than the revenue for the previous year.

Compared with the returns for 1916 there were increases under every head with the exception of Light Dues, Rent of Government Property, and Land Sales.

The expenditure amounted to a total of $14,090,828, inclusive of a sum of $1,567,907 spent on Public Works Extraordinary, and one of $2,000,000 being a contribution to the Imperial Government for war expenses.

The total expenditure brought to account amounted to $14,090,828, being $1,694,673 more than the estimate, and $3,010,913 more than the expenditure in 1916. Compared with the estimates there were decreases under 19 heads as against 5 heads where there were increases. The excess, amounting to $2,648,503, under Miscellaneous Services, was due to the war contribution stated above, in addition to another contribution ($504,984) referred to below; grants in aid of sufferers by the disasters at Tientsin and Halifax; expenditure on houses and house allowances; and other miscellaneous items. Military Expenditure was larger than the estimate by $41,788 on account of the revenue for 1916 having been under-estimated. The Harbour Department spent $15,123 extra, chiefly for acquisition of buoys in the harbour and repairs to launches: and the items, Public Works Recurrent and Extraordinary were responsible for an excess of $87,544 between them. Decreases were mostly due to savings on Personal Emoluments and high exchange.

The balance to the good on the year's working was $967,277, and the assets and liabilities account showed on the 31st December a credit balance of $3,268,062.

The following is a statement of the revenue and expenditure of the Colony for the five years 1913–1917:—

	Revenue.	*Expenditure.*
1913	$8,512,308	$8,658,012
1914	11,007,273	10,756,225
1915	11,786,106	15,149,267
1916	13,833,387	11,079,915
1917	15,058,105	14,090,828

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* A Sketch Map will be found in the Report for 1914, No. 856: [Cd. 7622-47].

(C490) Wt.11/42. 1000/90. 11.18. B.&F.Ltd. Gp.11 2.

The amount of the consolidated loan stands at £1,485,732. Against this there is at credit of the Sinking Fund a sum of £258,162. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000, and there is a sum of $200,000 at credit of Sinking Fund.

Under Ordinance No. 18 of 1917, a tax of 7 per cent. on Assessments was imposed to provide an Annual Contribution to the Imperial Government for purposes of the war. Collections thereunder began on the 1st July and the sum collected for the half year was $504,984.

The currency of the Colony consists, in addition to the notes of the Hongkong & Shanghai Bank, Chartered Bank of India, Australia, & China, and Mercantile Bank of India, of British, Hong Kong, and Mexican dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins, less those demonetized, now amounts to $21,264,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent. pieces of the face value of $5,028,000 were shipped to England for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hong Kong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hong Kong Government ceased to issue any subsidiary coin, and in 1906 it began a policy of demonetizing all its subsidiary coin received as revenue. This policy has been continuously followed since except during a brief period in 1911. Coin to the face value of $22,735,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of about $4[illegible]00,000.

II.—TRADE AND SHIPPING, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a*)—SHIPPING AND TRADE.

The total of the shipping entering and clearing at ports in the Colony during the year 1917, amounted to 621,090 vessels of 34,105,067 tons, which, compared with the figures for 1916, shows a decrease of 21,704 vessels, with a decrease of 2,276,390 tons.

Of vessels of European construction, 3,570 ocean steamers, 3 sailing ships, 4,135 river steamers, and 3,223 steamships not exceeding 60 tons entered during the year, giving a daily average of 29·9 ships, as compared with 31·9 in 1916, and 31·6 in 1915.

The average tonnage of individual ocean vessels entering the port has increased from 2,238·9 tons to 2,264·9 tons. That of British ships has decreased from 2,559·7 tons to 2,472·0 tons, while that of foreign ships has increased from 2,032·2 tons to 2,042·0 tons.

The average tonnage of individual river steamers entering during the year has decreased from 453·0 tons to 310·2 tons.

That of British river steamers has decreased from 511·2 tons to 503·3 tons, and that of foreign river steamers has increased from 364 tons to 393·2 tons.

British river steamers have decreased by 35·2 ships and 127,514 tons, or 52 per cent. in numbers and 3·2 in tonnage. This is due to the *Shun Lee* and *Wa Sun* trading between ports outside the Colony for the most part of the year.

Foreign ocean-going vessels have increased by 343 ships of 262,141 tons or 8·3 per cent. in numbers and 3·6 per cent. in tonnage. This is explained by a small increase in Chinese, French, Portuguese, and United States ships of smaller tonnage, and a large increase in Dutch ships of a larger tonnage.

Foreign river steamers show a decrease of 669 ships of 196,501 tons or 41·3 per cent. in numbers and 23·3 per cent. in tonnage.

This is due to the *Shing Cheong* and *Luen On* being taken off the run early in the year and since sold.

In steamships not exceeding 60 tons employed in foreign trade, there is an increase of 81 ships and an increase of 22,290 tons, or 1·3 per cent. in numbers and 11·2 per cent. in tonnage. This is due to a greater demand for towage of junks to Canton with coal and rice.

Junks in foreign trade show an increase of 1,020 vessels of 15,657 tons or 3·9 per cent. in numbers, and ·49 per cent. in tonnage. This increase may mostly be put down to a greater demand on the carriage of coal to Canton formerly carried by ocean steamers.

In local trade (*i.e.*, trade between places within the waters of the Colony), there is a decrease in steam launches of 10,452 vessels with a decrease in tonnage of 209,040 tons or 1·9 per cent. in numbers, and 1·6 per cent. in tonnage. This is due to the increase in foreign trade and to several launches being laid up as the owners found it too expensive to run them on account of the high cost of coal.

Junks show a decrease of 10,921 vessels and 583,990 tons or 44·5 per cent. in numbers, and 68·2 per cent. in tonnage. This is chiefly due to reclamation of foreshores in the Colony being at a standstill on which to a great extent this trade depends, a number of stone junks being laid up.

The actual number of individual ocean-going vessels of European construction during 1917 was 750, of which 259 were British and 491 foreign. In 1916 the corresponding figures were 717,281 British and 436 foreign.

These 750 ships measured 1,642,911 tons. They entered 4,023 times and gave a collective tonnage of 6,150,334.

TRADE.

As pointed out in previous years the figures which are given are meagre, and of little value, being derived from reports of ship masters which are given in round figures and several items of cargo are only entered under the heading "General."

In a few cases, I can however give more accurate figures and these are :—

IMPORTS.

These show an increase of 123,025 tons compared with the year 1916.

Increases are shewn under the headings :—Coal, kerosene oil in bulk, sandalwood, sugar, and general, while decreases are shewn in beans, cotton yarn, cotton, hemp, flour, kerosene oil (in cases), liquid fuel, rattan, rice, and timber.

Beans.—A decrease of 1,106 tons is shown which is due to general shortage of tonnage.

Coal.—There is an increase of 208,154 tons over the last year which is due to local and Canton manufacturing concerns and also the Kowloon-Canton railway laying in stocks as protective measure against advancing prices due to shortage of tonnage.

Cotton Yarn and Cotton.—Once again there is a decrease of 8,511 tons due to general shortage of tonnage.

Flour.—The decrease of 4,069 tons is due to Chinese flour competition and high prices ruling for American and Canadian product, also shortage of tonnage and high freight.

Kerosene Oil.—There is an increase of 9,263 tons shown in bulk due to a greater demand from the various coast ports which are supplied from this port.

Liquid Fuel.—A decrease of 1,604 tons due to the scarcity of tank steamers.

Rice.—A decrease of 54,691 tons due to shortage of tonnage.

Timber.—A decrease of 17,319 tons chiefly accounted for by the stoppage of Oregon pine through high rates of freight, Philippine hardwood being used instead.

Opium.—The imports and exports of certified opium during the year are as follows:—

	Malwa. *Chests.*	Patna. *Chests.*	Benares. *Chests.*	Total. *Chests.*
Imports ..	—	7	—	7
Export ..	81	103	40	224

Of these, however, the imports all came from Shanghai, and of the total export of 224 chests, 186 went to Shanghai.

Seven hundred and forty (740) chests of Persian opium were imported during the year and 745 chests were exported to Formosa.

Nine hundred and ten (910) chests of uncertified Indian opium were imported: 410 chests by the Government monopoly, and the remaining 500 chests for the Macao opium farmer.

General Cargo.—The increase of 22,703 tons is due to a greater number of Dutch and American steamers now trading with this port.

EXPORTS.

The corresponding figures relating to ships of European type of construction, exporting cargo and shipping bunker coal are as follows:—

	1916.		1917.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers	3,758	6,873,003	3,571	6,139,214	..	..	187	733,789
River Steamers..	4,666	2,583,019	4,153	2,415,846	..	..	513	167,173
Sailing Vessels ..	1	75	..	..	..	..	1	75
Total	8,245	9,456,097	7,724	8,555,060	..	..	701	901,037
			Net Decrease ..		..	..	701	901,037

Exported 2,514,331 tons, including River Trade, as compared with 2,606,264 tons in 1916.

	1916.		1917.		Increase.		Decrease.	
	Strs.	Bunker Coal.	Strs.	Bunker Coal.	Strs.	Bunker	Strs.	Bunker Coal.
Steamers	3,758	457,580	3,571	407,395	..	..	187	50,185
River Steamers..	4,666	84,096	4,153	76,582	..	..	503	7,514
Total ..	8,424	541,676	7,724	483,977	..	..	690	57,699
Net Decrease ..					..	..	690	57,699

Exports show a decrease of 7,142 tons.

Transit Cargo.—A decrease of 809,984 tons is shewn under this head.

Emigration and Immigration.

Ninety-six thousand two hundred and ninety-eight (96,298) emigrants left Hong Kong for various places during the year 1917, 117,653 in 1916. Of these, 59,285 were carried in British ships, and 37,013 in foreign ships.

Ninety-eight thousand two hundred and thirty-two (98,232) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this Colony or from coast ports, as against 72,405 in 1916. Of these, 55,028 arrived in British ships and 43,204 in foreign ships.

Statement of Number of Emigrants to Straits Settlements, 1909 *to* 1917, *compared with Total Chinese Emigration.*

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1909	48,016 ..	77,430
1910	76,705 ..	111,058
1911	100,906 ..	135,565
1912	84,024 ..	122,657
1913	102,353 ..	142,759
1914	44,974 ..	76,296
1915	41,278 ..	68,275
1916	82,797 ..	117,653
1917	63,292 ..	96,298

(*b*)—INDUSTRIES.

(i)—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the years 1916 and 1917 :—

1916.

Macdonald & Co. ..	1 vessel of	23	gross tons and	80	I.H.P.
Taikoo Dockyard & Eng. Co., Ltd.	6 vessels of	8,814	,, ,,	6,800	,,
Kwong Fook Cheong ..	3 ,,	641	,, ,,	752	,,
Kwong Hip Lung Co., Ltd.	4 ,,	521	,, ,,	462	,,
Kwong Sing Loong ..	1 vessel of	36	,, ,,	45	,,
W. S. Bailey & Co. ..	7 vessels of	449	,, ,,	620	,,
Hop On	1 vessel of	43	,, ,,	56	,,
Kwong Lee	1 ,,	16	,, ,,	24	,,
Kwong Man Sang ..	2 vessels of	136	,, ,,	178	,,
Tung Shing	1 vessel of	75	,, ,,	92	,,
Kwong Hop Loong ..	1 ,,	32	,, ,,	44	,,
Ah King	23 vessels of	56	,, ,,	54	,,
Sum Kee	1 vessel of	28	,, ,,	50	,,
Hong Kong & Whampoa Dock, Co., Ltd. ..	2 vessels of	32	,, ,,	120	,,
Total ..	54 vessels of	10,902	gross tons and	9,377	I.H.P.

1917.

Taikoo Dockyard & Eng. Co., Ltd.	4 vessels of	8,919	gross tons and	5,850	I.H.P.
Hong Kong & Whampoa Dock Co., Ltd. ..	7 ,,	14,954	,, ,,	9.400	,,
Ah King	9 ,,	112	,, ,,	96	,,
Sum Kee	3 ,,	42	,, ,,	56	,,
W. S. Bailey & Co. ..	3 ,,	65	,, ,,	105	,,
Total	26 vessels of	24,092	gross tons and	15,507	I.H.P.

The increase of tonnage built by the Taikoo Dockyard and Engineering Co., Ltd., is due to the building of vessels for the Straits Steamship Co. The Hong Kong & Whampoa Dock Co. had several large vessels building, which are not shown in the return.

Sugar Refineries.—During 1917 the general shortage of tonnage available for the carriage of Java sugars was responsible for an accumulation of unprecedented stocks in godowns in Java, causing a slump in prices which involved severe losses to holders. One result in China—Hong Kong's main market—was a shortage of Javas, which was in part responsible for the strong demand for Hong Kong Refineds which obtained throughout the greater part of the year. Prices in China ruled low, governed mainly by the influx of heavy shipments of Japanese sugars, and the prevailing high rate of silver exchange which benefited Japan. Offtake of local Refineds would have been considerably greater but for the incidence of political unrest in China during the last two months of the year. India and the Persian Gulf have continued to draw substantial supplies from Hong Kong.

Cotton Yarn.—During the twelve months under review, trade was smaller in volume than the previous year, due to war conditions, but the monetary turnover could scarcely have suffered owing to the enormous advance in values, and, taken all round, the importers and dealers had a successful year.

The year opened with the American cotton in Liverpool at 10·63 pence per lb., and closed at 22·84, and although this was offset to some extent by a corresponding rise in Exchange from 2*s.* 4½*d.* to 3*s.*, scarcity of tonnage caused restricted importations and helped to bring about the high level of prices.

The political troubles in China had a depressing influence on trade, and with prices in some instances almost double pre-war days, the offtake was considerably reduced.

The Japanese and Shanghai Mills continued to extend their operations in the South as well as in other parts of China.

Rope-Making.—The demand for Manila cordage was fairly good throughout the year and the total turnover showed a slight improvement on that of the previous twelve months but business in this commodity was greatly hampered by the high cost of raw material and difficulty of obtaining freight room even at enhanced rates.

Cement-Making.—The demand continued good during the year 1917, although there were difficulties in obtaining freight room, and the high exchange adversely affected business with gold standard countries. Owing to the high price of raw materials it was necessary to raise selling prices, but in spite of this the turnover compares favourably with 1916.

Tin.—The business in this commodity considerably increased in comparison with 1916, the demand from Europe and America being much greater. Imports from Yunnan in 1917 amounted to about 11,000 tons and from Kwangsi to about 200 tons, as against 3,000 tons and 1,000 tons respectively in 1916.

During the year about 200 tons were exported to Japan, 1,400 tons to Shanghai and other China coast ports, and 13,000 tons to Europe, Canada, and the United States of America.

Rattan and Fibre Furniture.—The value of rattan and fibre furniture exported in 1917 declined to $200,000 from about $600,000, owing to the scarcity of tonnage and the enormous increase in freight rates. Materials for making up this furniture were, however, exported in larger quantities ; rattan canes to the value of about $1,500,000, and grass and reed to the value of about $130,000 were shipped, as against $500,000 and $80,000 respectively in 1916.

Native Tobacco.—The total quantity imported into the Colony was smaller than that in 1916, but prices were much better.

Tinned Goods.—The volume of business done in 1917 was about the same as in 1916. The large increase in the cost of tinplates was counterbalanced by greater demands and by increase in the prices of the goods.

Samshu.—The volume of business done in the year was about the same as in 1916.

Vinegar.—The business was about the same as in 1916.

Knitted Vests and Socks.—The value of business done was about the same as in 1916, though the quantities sold showed a decrease owing to enhanced cost of materials.

Leather and Hides.—Business, most of which was done with Europe and America, showed an increase of about 30 per cent.

Ginger and Preserves.—This business has further declined by about 50 per cent., as compared with 1916.

Soy.—About 950 casks were exported in 1917, as compared with 4,100 casks in 1916.

Paper.—Business in this article maintained the same level in 1917 as in 1916, though prices went up by about 33 per cent. Of the papers imported in the year, about one-third was of Japanese manufacture.

Vermilion.—The business done in 1917 amounted to about $600,000 as compared with about $900,000 in 1916. The decrease was mainly due to the high price of quicksilver which is the principal ingredient used in the manufacture of this article.

Lard.—There were great demands from both Europe and South America with the result that the business was increased to nearly twice as much as that in 1916.

(*c*)—FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Freshwater fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d*)—FORESTRY, AGRICULTURE, AND BOTANY.

Over 42,000 pine tree seedlings were planted on the hills in the vicinity of the Fanling Golf Course, nearly 4,000 on the hills above Taihang, and 3,000 in the Tytam catchment area.

On the Fanling hills 15 pounds of pine tree seeds were sown, 27 pounds on Mt. Kellet, and 10 pounds on the hills above Repulse Bay.

About 40,000 pine tree seedlings were raised for planting in 1918.

Creepers damaging trees in the Victoria forest were cut.

Over 5,000,000 square feet were cleared of undergrowth in connection with anti-malarial measures.

In connection with survey work over 1,750,000 square feet of undergrowth were cleared.

Vegetables were grown in the economic garden at Fanling for demonstration purposes.

From the tea plantation near Lead Mine Pass in the New Territories 350 cases of tea were shipped to Australia.

The first rice crop was poor but the second was up to the average.

Lichees and peanuts were fair.

Several additions to the flora of Hong Kong were made during the year.

(*e*)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown land and pier rights for the year 1917 was $148,086—a decrease of $55,148 on the preceding year and $45,657 less than the average for the past five years.

The principal items were $35,498 in respect of an extension of Hung Hom Marine Lot No. 3, $27,050 on the sale of Kowloon Inland Lot No. 1358, $11,050 on the sale of Inland Lot No. 2234, and $8,507 on the sale of Kowloon Inland Lot No. 1352.

In the New Territories the net amount received for premium on sales of land was $11,622, being a decrease of $133,213 on the preceding year.

The number of deeds registered in the Land Office was 2,824 or 154 more than in the preceding year, the total consideration being $42,666,837, as against $42,201,549 in 1916.

The Government resumed several large areas during the year, viz., Morrison Hill and an adjoining lot; also some lots at the Peak in connection with the scheme for providing quarters for Government Officers.

The total area of land granted during the year was 143¾ acres of which 122½ acres were situated in the New Territories; the total area of land resumed was 91 acres.

In the Northern District of the New Territories large areas of salt-water marshes situate in the north-west corner were being negotiated for: the transaction had not been completed at the end of the year. The demand for land reached its usual level, shewing a slight increase on all previous years except 1916.

In the Southern District the demand for land has been about the same as in previous years.

III.—LEGISLATION.

Thirty-two Ordinances were passed during 1917 of which twelve were amendments of previous Ordinances.

The most important matters with which these Ordinances dealt were Crown Land Preservation (No. 6), Liquors (No. 24), Deportation (No. 25), Opium (No. 27), Ferries (No. 28), Importation and Exportation (No. 30), and Fire and Marine Insurance Companies Deposit (No. 32).

The following Ordinances in connection with the war were enacted:—

The Alien Enemies (Winding-up) Amendment (No. 11), Trading with the Enemy and Export of Prohibited Goods (No. 15), Rating (Special War Rate) (No. 18), Military Service (No. 19), Legal Proceedings against Enemies (No. 22), and Contracts (War Restrictions) (No. 31).

IV.—EDUCATION.

No important changes have taken place in the Education Department during the year under review. The staff has been depleted by causes due to the war, but the deficiency has been met in part by the appointment of mistresses resident in the Colony.

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance now housed in a new building presented to the Colony by Sir Ellis Kadoorie. *Kowloon School* and *Victoria School* for children of British parentage have an average attendance of about 120. There is also a school for the children of the Peak District. The *Diocesan School* and *Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French,* and *St. Mary's Convents,* and the *Diocesan Girls' School,* are the most important of the English Grant Schools for girls.

The Hong Kong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1917 in mathematics, machine drawing, architectural design, and building construction; in chemistry, physics, and electricity; in commercial English, logic, and political economy; in French, shorthand, and book-keeping; and in translation from and into Chinese. Classes in sanitation (public hygiene) are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London. Classes for men and women teachers, both " English " and " Vernacular," are a feature of the institute.

The lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The institute is furnished with a well-equipped chemical laboratory and excellent physical apparatus.

The Hong Kong University is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

At the end of the year the number of students was 186, 84 of whom were taking the Engineering Course, 65 Medicine, and 37 Arts. While most of the students have studied in Hong Kong schools, a number come from Canton, the coast ports of China, and the Straits Settlements.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,000 per annum; whereas at Hong Kong the expenses of the University are $540 per annum for board and tuition, or, including extras, from $600 to $650.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hong Kong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connection it is interesting to note that the Chinese residents of Hong Kong recently subscribed a large sum for levelling a new playing field and that the work has just been completed.

The University is composed of three Faculties: 1.—Medical, which offers ample facilities for the practice of medicine. The anatomical laboratories were the gift of a Cantonese gentleman (Mr. Ng Li-hing). There is a large staff of instructors in medicine and all the principal medical practitioners in Hong Kong give lectures at the University. 2.—Arts. The establishment of this faculty was largely due to the munificence of a Chinese gentleman in the Straits Settlements (Mr. Cheung Pat-sze). Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. The course of instruction comprises English and Chinese literature, political and constitutional history, political economy, jurisprudence, and international and commercial law. 3.—Engineering. Nearly one-half of the students belong to this faculty. It is divided into three branches—civil, electrical, and mechanical. The University has an exceptionally large equipment of machinery and apparatus, and has fourteen laboratories and workshops. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management.

The University insists upon all students having a proper knowledge of their own language although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese professors, both Hanlin graduates, give lectures on the classics and history of China.

V.—PUBLIC WORKS.

Two properties in the Hill District (R.B.L.'s 19 and 120) were acquired by Government as official residences for the Chief Justice and the Colonial Secretary.

The large extension of the Central Police Station, begun in 1916, was continued during the year, but progress was seriously interfered with by the difficulty in obtaining the iron girders and stanchions required.

The erection of a market at Shamshuipo was undertaken and was well advanced by the close of the year.

The large water works scheme at Tytam Tuk including a storage reservoir (capacity 1,419 million gallons); two sets of pumping machinery, each capable of raising three million gallons per day a height of 400 feet; the laying of suction and delivery mains and other subsidiary works were completed.

The construction of the additional service reservoir and filter beds for the supply of the western section of the city was continued, the work being well advanced by the close of the year.

The training of the extensive system of nullahs in Sookunpoo Valley was completed, the entire valley being filled in to a suitable level for the formation of a public recreation ground.

The lower yard of the gaol was covered over, thus affording a valuable addition to the space available for exercise.

Inland Lots 84 and 1918, which comprise nearly the whole of Morrison Hill, were resumed by Government with a view to the cutting away of the hill in order to obtain material for the projected Praya East Reclamation Scheme.

Two new streets (Mallory Street and Landale Street), extending from Praya East to Wanchai Road and Queen's Road East respectively, were resumed by Government. The lane, hitherto known as Tsui In Lane, was widened to 30 feet—the necessary area being resumed from M.L. 23—and was re-named Anton Street.

The work of providing scavenging lanes continues, compensation being paid where necessary.

Progress continues to be made with the Shamshuipo Improvement Scheme, which involves the entire demolition of the old village and the erection of new houses and other buildings on good, wide roads.

The total amount expended on Public Works Extraordinary was $1,612,835.28 and on Annually Recurrent Works $609,308.45.

Railway.

During the year the passenger portion of the Kowloon Station has been somewhat improved by alterations to the Chinese Customs examination accommodation. The outward baggage barriers have been extended, which expedites the work of examination, while the addition of a waiting room for Customs officials, and the extension of the baggage barriers for the examination of inward passenger traffic afford further facilities.

It was considered advisable during the year to build a goods shed for light and perishable goods, both for the protection of such goods during transhipment from train to lighter and *vice versâ*, and also to facilitate the Customs examination of goods consigned to or from China. This necessitated certain alterations in the layout of that portion of the yard devoted to goods traffic, and extensions of the sidings along the sea wall. This work was carried out in conjunction with the installation of the truck weighbridge and involved raising the level of the sea wall and various alterations and additions to the signalling, which however has not interfered with the use of any of the other tracks or the safety of the signal installation. The Goods Examination Shed is 400 feet long by 30 feet wide inside, with covered gantries alongside, and sliding doors at intervals of 21 feet, the length of the 15-ton goods wagon.

The extension to the Locomotive Yard as decided upon was completed early in the year. The satisfactory purchase of the last lot of land required for the purpose enabled the Carriage Running Shed to be finished, and two small Chinese houses at the north corner which are not at present in the way were converted into quarters for drivers and firemen, thus saving the renting of quarters which had previously been necessary.

Detailed surveys of possible routes for branch lines to points at Tai Kok Tsui on the western side of the peninsula and to Tai Wan Bay on the eastern side were undertaken during the year, with a view to earmarking the land necessary for such branch lines, but much still remains to be done before definite routes can be decided upon or estimates prepared, as both traverse difficult country and cross several public highways.

In the workshops the following works have been carried out:—

One Smithy fan rebuilt.
,, Roots blower repaired.
,, new moulding machine built out of scrap.
,, 3-ton and one 1-ton swing crane built.
,, furnace for making patent metal built.
,, new pump for workshop pits built.
,, new straightening block.

At the end of 1916 it was decided to close the Capital Account and in future to charge all expenses other than Working Expenses to the head of Special Expenditure. The actual Special Expenditure during the year amounted to $101,460.48 and has been added to the Capital Account, which now stands at $14,812,377.77 Main Line and Fanling Branch $89,808.57.

The working expenses amounted to $337,431.48 and when compared with gross receipts show a decrease, the percentage being 78·79 against 81·02 for 1916.

The revenue derived from Local Traffic amounted to $119,397.09 or $470.17 less than the previous year, while the Local Goods Traffic has increased from $7,706.81 to $9,985.88 and the sundry receipts amounted to $4,096.52 more than in 1916 which is due to the inclusion of rents collected in respect of reclaimed land let at Hunghom and to wharfage fees.

Through and Joint Sectional Coaching Traffic Receipts show a marked increase of $41,763.98. This improvement is due to a great extent to the increase in certain Joint Sectional fares from May 1st and also to a greater number of passengers travelling than in 1916.

The condition of the Goods Traffic has improved, the receipts being $33,770.69 as against $18,407.50 for the previous year.

The Gross Receipts for the year were $428,246.46 as against $366,215.67 for 1916, an increase of $62,030.79. The balance after paying working expenses stands at $90,814.98, or $21,290.94 more than the previous year.

The Through and Joint Sectional passengers carried were as follows:—

	1915.	1916.	1917.
Passengers booked by stations in British territory to stations in China ..	271,382	307,310	309,394
Passengers booked by stations in China to stations in British territory ..	326,839	344,220	352,008

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*)—HOSPITALS.

Government hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the harbour.

The Civil Hospital contains 150 beds in 19 wards. 3,292 in-patients and 13,065 out-patients were treated during 1917 as against 3,058 and 12,620 respectively in 1916. 361 cases of malarial fever were admitted as against 360 in 1916 and 384 in 1915. But the total cases of malaria for all Government hospitals and the Tung Wa Hospital shows a decrease of 34 cases as compared with the year 1916. The Maternity Hospital contains 12 beds for Europeans and four for Asiatics. 309 confinements occurred during the year as against 259 in 1916. The Victoria Hospital at the Peak contains 41 beds, and during 1917, 147 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 31 cases were treated in 1917, all being small-pox.

(*b*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing eight beds in separate wards and the Chinese portion 16 beds. 214 patients of all races were treated during 1917 and there were 10 deaths.

(*c*)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house-surgeons, trained in Western medicine, are members of the hospital staff. There are 323 beds in the buildings and 5,352 patients were accommodated during 1917.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 58 beds and during 1917, 146 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hongkong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital, opened in 1887, the Nethersole Hospital, opened in 1893, the Alice Memorial Maternity Hospital, opened in 1904, and the Ho Miu Ling Hospital, opened in 1906. The number of in-patients in 1917 was 1,670 and the expenditure $23,528.20. The number of labours in the Maternity Hospital was 590. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives, which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee and receive a grant of $2,000 a year from the Government.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 70 beds and 2,388 patients were accommodated during 1917. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education the Hongkong University is an Aided Institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in last year's report.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor.

The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1917 the number of persons admitted was 451 and at the close of the year 51 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866–9 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance, which is defrayed by voluntary subscription, was $38,355.32 for the year 1917. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 9,508, being a decrease of 1,811 or 16 per cent. as compared with 1916. There was in 1917 a decrease in serious offences of 93 or 2·64 per cent. as compared with the previous year. The number of serious offences reported was 126 over the average of the quinquennial period commencing with the year 1913. The number of minor offences reported shows a decrease of 1,718 as compared with 1916 and was 841 below the average of the quinquennial period.

The total strength of the Police Force in 1917 was Europeans 160, Indians 481, Chinese 588, making a total of 1,229 (as compared with 1,215 in 1916) exclusive of the five superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government departments. Of this force 15 Europeans, 137 Indians, and 33 Chinese were stationed in the New Territories during the year.

Up to the end of the year one assistant superintendent, one probationer, and 59 members of the Hong Kong Police Force had enlisted for active service.

The following members of this force were killed while on active service during the year:—

P.C.	A 124	Ernest Frederick Drury	K.R.R.,	killed on	17.2.17.
„	A 155	Robert Edwards ..	R.F.C.,	„	30.4.17.
„	A 120	Edward Charles Silliss	K.R.R.,	„	1.8.17.
„	A 81	John Delahunty ..	I.G.,	„	9.10.17.

Five were killed in 1916 and one (E. Bloor) is a prisoner in Germany.

The District Watchmen Force, numbering 100, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the city. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 3,386, as compared with 4,169 in 1916. Of these 1,734 were committed for criminal offences, against 1,588 in 1916. Of committals for non-criminal offences there were 226 less for hawking without a licence, and 12 more for unlawfully boarding steamers, than in 1916.

The daily average of prisoners confined in the gaol was 600, the average for 1916 being 638, and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·11. The average percentage for the last ten years was 0·12. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The gaol has accommodation for 707 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·36 as compared with 1·34 in 1916 and 1·41 in 1915.

Long-sentence prisoners serving two years and upwards are taught useful trades, including printing, bookbinding, tin-smithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $67,333 as against $68,209 in 1916. A sum of $3,601 was received and credited to Government for non-Government work against $4,060 in 1916.

IX.—VITAL STATISTICS.

(*a*)—POPULATION.

The civil population of the Colony, according to the census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was

535,100, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 431,700, of whom 13,500 were non-Chinese.

(*b*)—Public Health and Sanitation.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hong Kong during 1911, 1912, and 1913 elected to remain in the Colony.

The corrected birth-rate for the year was 6·9 per 1,000 among the Chinese community and 20·8 per 1,000 among the non-Chinese community, as compared with 8·1 and 20·[illegible] for 1916.

The death-rate for the year was 23·7 per 1,000 among the Chinese community and 14·00 among the non-Chinese community as compared with 24·6 and 15·08 for 1916.

The number of deaths from Malaria (416) shows an increase on the previous year (378). The deaths of Chinese from this cause in the city of Victoria numbered 185 out of a population of 280,700 or a rate of 0·6 per 1,000 per annum.

The deaths from plague numbered 35 as compared with 39 in 1916.

Small-pox deaths numbered 549, all Chinese, with the exception of three Portuguese and one each British, Filipino, and Japanese.

There were 2,248 deaths from respiratory diseases as compared with 2,112 in 1916, and 34 of these were among the non-Chinese community. Pulmonary tuberculosis claimed 859 Chinese and 18 non-Chinese victims whilst other forms of tuberculosis represent an additional 616 deaths, making a total of 1,493, or 14·3 per cent. of the total deaths among the community.

Beri-beri was responsible for 654 deaths, as compared with 517 during 1916 and 398 in 1915. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice, when fresh meat or fresh fish cannot be afforded.

A tabular statement of the principal causes of death is appended.

(*c*)—Climate.

The mean shade temperature for the year at the Royal Observatory, Kowloon (108 feet above mean sea level), was 71·0°, 0·8° lower than in 1916, and 1·2° lower than the mean for the past 10 years. The maximum temperature was 90·8° on the 13th July and the minimum 38·8° on the 9th January. The hottest month was August, with a mean temperature of 82·0°, and the coldest, January, with a mean temperature of 55.8°.

The temperature at the high levels of the Peak District is from 3° to 8° less than at the Observatory. At Victoria it is practically the same. The rainfall and humidity are usually greater at the Peak than at Victoria, the Observatory, or Tai Pó (New Territories).

The total rainfall for the year was 81·485 inches, as compared with an average of 81·35 inches during the ten preceding years. The wettest month was July with 30·07 inches, the driest, November, when 0·09 inch fell. The greatest amount of rain which fell on any one day was 8·10 inches on the 15th July, while no rain fell on 234 days of the year. The mean relative humidity of the atmosphere for the year was 75 per cent., or 2 per cent. less than the average for the ten preceding years. The average daily amount of sunshine was 6·0 hours, being 50 per cent. of the possible duration.

X.—POSTAL AND TELEGRAPH SERVICES.

The total revenue from the Postal Service in 1917 amounted to $403,869.87 being $2,127.54 more than that collected in 1916. The expenditure amounted to $259,214.83, being less than that of 1916 by $48,921.50, due to the high rate of exchange prevailing during the year under review. The balance of revenue over expenditure amounted to $144,655.04.

The Shanghai-Bombay Section of the P. & O. Contract Mail Service was suspended as from 1st July. The mails for Europe via Suez were despatched as opportunities offered to Bombay for transmission from thence to Marseilles by P. & O. packets.

Owing to dislocation and uncertainty of the trans-Siberian Railways and the restriction of the Suez route, the mails for Europe were to a great extent forwarded by the Pacific route either via Canada or via the United States.

Arrangements were made during the year with the Canadian Postal Administration for the transmission of parcels for Europe by Canadian services. The first Parcel Mail for Liverpool by this route was despatched on 8th November by the *Empress of Japan*. This service, although more expensive than that via Suez, is very much appreciated by the public who are using it to an increasing extent.

The revised Postal Agreement with Macao, which provides for the exchange of cash-on-delivery parcels, came into force on 1st September.

The revenue collected in 1917 from radio-telegrams amounted to $23,311.55 being $14,616.51 more than that collected in 1916—the excess being mainly due to press messages sent to Indo-China. Advices of vessels signalled at the lighthouses yielded $503.35 and semaphore messages $2.50, making a total of $23,817.40 for the telegraphic service. The expenditure amounted to $39,174.38, of which sum $17,905.71 was in respect of the emoluments of the wireless staff at the Cape d'Aguilar Station for the period from 15th July, 1915, to 31st December, 1916. The number of radio-telegrams forwarded during the year was 846 consisting of 106,114 words, and 1,028 received consisting of 13,853 words.

XI.—GENERAL OBSERVATIONS.

The unrest in the province of Kwangtung which recommenced in 1916 continued to be a source of uneasiness to the local Chinese residents. During the year some of the Southern provinces of China declared their independence of the Central Government and constant collisions between the Northern and Southern factions led to considerable chaos. Troops of both parties ransacked villages near the New Territories frontier and much trouble was caused by armed robbers crossing the British border and raiding villages in British territory. On the 18th November the Chinese section of the railway was damaged by soldiers who had mutinied and traffic was stopped until the 20th November.

Several small junks and launches were attacked by robbers, and piracy of such small craft has led to representations being made to the Canton Government through H.M.'s Consul General.

During the year the War Charities Funds were subscribed to in the same generous manner as in previous years, the sums received as subscriptions amounting to $292,904.94. In addition to this sum the following special days were devoted to assisting the various war charities with the results shown against each :—

St. George's Day, 23rd April	$33,619.68
"Our Day," 18th October	110,375.72
St. Andrew's Day, 30th November	46,528.18

The Queen Mary's Needlework Guild, and the other organizations by ladies for carrying out war work, continued their labours unremittingly and the regular despatch of clothing, bandages, etc., to the troops and hospitals in the various war centres was maintained.

The Colony's recurrent expenses on account of the war amounted to approximately $200,000.

The Hong Kong and South China War Savings Association continued to encourage small investors and a total of $1,232,490.15 (Straits Currency) was invested in war loans during the year. There is now a total of 819 subscribers.

An Ordinance incorporating the Volunteer Corps and the Hong Kong Volunteer Reserve into one command—"The Hong Kong Defence Corps"—was passed on the 30th August. Under this Ordinance all male British subjects between the ages of 18 and 55, who are medically fit and who are ordinarily resident in the Colony, with certain exceptions, are liable for military service in the Colony. Administrative Command of the corps was taken over by a selected regular military officer, Major H. A. Morgan, of the 18th Infantry (Indian Army), who has done much towards bringing the corps to a high state of efficiency.

CLAUD SEVERN,
Colonial Secretary.

11th May, 1918.

DEATHS REGISTERED IN THE COLONY OF HONG KONG DURING 1917.

		Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cholera.	Dysentery.	Plague.	Malarial Fever.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Civil, Community		6	..	5	..	..	2	1	5	1	3	1	3	10	5	7	3	3	12	1	5	23	18	5	3	1	5	60	1	189
Chinese Community	Victoria and Peak ..	345	3	64	25	..	75	28	185	8	117	324	44	83	559	154	392	377	26	119	83	1151	476	474	26	19	180	1122	106	6565
	Harbour ..	33	..	13	3	..	21	3	85	4	4	4	3	34	17	118	15	99	6	7	12	73	133	55	6	3	16	161	123	1051
	Kowloon ..	156	4	32	23	..	87	3	93	7	17	6	2	41	70	127	23	139	12	4	33	257	186	210	9	11	58	522	103	2235
	Shaukiwan ..	9	..	2	..	..	3	..	24	1	..	1	1	15	8	29	5	32	..	..	3	27	19	31	..	..	6	42	14	272
	Aberdeen ..	..	..	..	..	..	2	..	14	..	1	..	..	1	..	23	..	2	1	12	..	1	20	..	1	..	2	1	2	83
	Stanley ..	..	..	..	..	..	..	..	10	..	..	..	..	..	..	10	..	2	..	4	..	..	2	..	..	..	..	10	..	38
Total, 1917		549	7	116	51	..	190	35	416	21	142	336	53	184	659	468	438	654	57	147	126	1532	854	775	45	34	267	1918	349	10433
,, 1916		542	41	146	61	10	306	39	378	17	82	394	36	187	936	458	561	520	48	348	176	1577	984	770	30	30	220	1282	379	10558

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	Colony, &c.	Year.
939	Sierra Leone	1916
940	Straits Settlements	,,
941	Cyprus	1916–1917
942	Grenada	,,
943	Jamaica	,,
944	Somaliland	,,
945	Swaziland	,,
946	Nigeria	1916
947	Basutoland	1916–1917
948	Gold Coast	1916
949	Ashanti	,,
950	Bechuanaland Protectorate	1916–1917
951	Barbados	,,
952	Leeward Islands	,,
953	St. Vincent	,,
954	Uganda	,,
955	Nyasaland	,,
956	Northern Territories of the Gold Coast	1916
957	British Honduras	,,
958	Gilbert and Ellice Islands	1916–1917
959	Cayman Islands	,,
960	Bermuda	1916
961	Mauritius	,,
962	Ashanti	1917
963	Falkland Islands	,,
964	Seychelles	,,
965	Weihaiwei	,,
966	Fiji	,,
967	Solomon Islands	1917–1918
968	Grenada	,,
969	Turks and Caicos Islands	1917
970	Northern Territories of the Gold Coast	,,
971	Ceylon	,,

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-Percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.

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COLONIAL REPORTS—ANNUAL.

No. 1001.

HONG KONG.

REPORT FOR 1918.

(ABRIDGED.)

(For Report for 1917 see No. 972.)

Presented to Parliament by Command of His Majesty,
October, 1919.

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No. 1001.

HONG KONG.

REPORT ON THE BLUE BOOK FOR 1918.*

I.—FINANCES.

The revenue for the year amounted to $18,665,248, being $3,901,658 more than the estimate and $3,607,144 more than the revenue for the previous year.

Compared with the returns for 1917 there were increases under every head with the exception of Light Dues, Miscellaneous Receipts, and Fees of Court or Office.

The expenditure amounted to a total of $16,252,172, inclusive of a sum of $1,578,149, spent on Public Works Extraordinary, and one of $3,189,972, being a contribution to the Imperial Government for war expenses.

The total expenditure brought to account amounted to $16,252,172, being $4,111,697 more than the estimate, and $2,161,344 more than the expenditure in 1917. Compared with the estimates there were decreases under 20 heads as against 4 heads where there were increases. The excess, amounting to $5,229,871 under Miscellaneous Services, was due to the war contribution stated above, in addition to another contribution ($1,052,761) referred to below; expenditure on houses and house allowances; and other miscellaneous items. Military Expenditure was smaller than the estimate by $30,138 on account of the Revenue for 1917 having been over-estimated. The item Public Works Recurrent was responsible for an excess of $103,975. Decreases were mostly due to savings on Personal Emoluments and high exchange.

The balance to the good on the year's working was $2,413,076, and the assets and liabilities account showed on the 31st December a credit balance of $5,681,138.

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* A Sketch Map will be found in the Report for 1914, No. 856: [Cd. 7622-47].

The following is a statement of the revenue and expenditure of the Colony for the five years 1914–1918:—

	Revenue.	*Expenditure.*
	$	$
1914	11,007,273	10,756,225
1915	11,786,106	15,149,267
1916	13,833,387	11,079,915
1917	15,058,105	14,090,828
1918	18,665,248	16,252,172

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £283,602. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000 and there are the sums of $212,000 and £33,300 at credit of the Sinking Fund.

Under Ordinance No. 18 of 1917 a tax of 7 per cent. on Assessments was imposed to provide an annual contribution to the Imperial Government for purposes of the War.

The currency of the Colony consists, in addition to the notes of the Hong Kong and Shanghai Bank, Chartered Bank of India, Australia, and China, and Mercantile Bank of India, of British, Hong Kong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins, less those demonetized, now amounts to $20,764,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent. pieces of the face value of $5,028,000 were shipped to England for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hong Kong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hong Kong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy has been continuously followed since, except during a brief period in 1911. Coin to the face value of $23,235,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of about $44,000,000.

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(a)—SHIPPING.

The total of the shipping entering and clearing at ports in the Colony during the year 1918 amounted to 579,541 vessels of 29,518,189 tons, which, compared with the figures for 1917, shows a decrease of 53,537 vessels, with a decrease of 4,974,484 tons.

Of vessels of European construction, 3,337 ocean steamers, 6 sailing ships, 3,660 river steamers, and 2,986 steamships not exceeding 60 tons entered during the year, giving a daily average of 27·3 ships, as compared with 29·9 in 1917, and 31·9 in 1916.

(C585) Wt.1/155. 1,000 & 90. 10.19. B.&F.Ltd. Gp.11/2.

The average tonnage of individual ocean vessels entering the port has decreased from 1,528·7 tons to 1,459·2 tons. That of British ships has decreased from 1,720·3 tons to 1,482·6 tons, while that of foreign ships has increased from 1,414·5 tons to 1,445·7 tons.

The average tonnage of individual river steamers entering during the year has increased from 310·2 tons to 470·0 tons.

That of British river steamers has decreased from 503·3 tons to 135·9 tons, and that of foreign river steamers has increased from 393·2 tons to 439·9 tons.

British river steamers have decreased by 858 ships and 555,092 tons, or 14·8 per cent. in numbers and 16·1 per cent. in tonnage. This is due to the *Tai Lee* and *Wing On* being taken over by the Government and employed in other waters, the *Nam Hoi* changing from British to Chinese flag, the *Taisham* being sold and trading in other waters, and the *San Ui* and *Lintan* changing their flag.

Foreign river steamers show a decrease of 109 ships of 230,382 tons or 7·2 per cent. in numbers and 37·6 per cent. in tonnage. This is due to the *Charles Hardouin, Paul Beau*, and *Licorne* being taken off the run and sold.

In steamships not exceeding 60 tons employed in foreign trade there is a decrease of 529 ships and a decrease of 17,322 tons or 8·8 per cent. in numbers and 9·0 per cent. in tonnage. This is due to a great number of launches being laid up through coal being too expensive to run them with any margin of profit.

Junks in foreign trade show a decrease of 2,628 vessels of 244,712 tons or 11·2 per cent. in numbers and 8·2 per cent. in tonnage. This is due to the unsettled state of South China and the greater prevalence of piracy in the Canton Delta during the year.

In local trade (*i.e.*, trade between places within the waters of the Colony), there is a decrease in steam launches of 49,434 vessels with a decrease in tonnage of 1,689,078 tons or 9·9 per cent. in numbers and 15·7 per cent. in tonnage. This is also due to the number of launches being laid up through the high cost of coal.

Junks in local trade show an increase of 487 vessels and 306,181 tons or 1·3 per cent. in numbers and 1·6 per cent. in tonnage. This is chiefly due to reclamation of foreshores in the Colony being carried out on which to a great extent this trade depends.

The actual number of individual ocean-going vessels of European construction during 1918 was 675 of which 162 were British and 513 foreign. In 1917 the corresponding figures were 750—259 British and 491 foreign.

These 675 ships measured 1,476,594 tons. They entered 3,343 times and gave a collective tonnage of 4,878,119 tons.

TRADE.

As pointed out in previous years the figures which are given are meagre, and of little value, being derived from reports of ship masters which are given in round figures and several items of cargo are only entered under the heading "General."

In a few cases, however, more accurate figures can be given, and these are:—

IMPORTS.

These show a decrease of 1,041,917 tons compared with the year 1917.

Increases are shown under the headings beans, flour, liquid fuel, rice, sandalwood, sugar, timber, and general cargo, while decreases are shewn in bulk and case oil, coal, cotton and cotton yarn, rattan, and transit cargo.

Beans.—Show an increase of 36,534 tons. This trade came practically to a standstill in 1917 owing to the troubles in North China.

Flour.—Shows an increase of 3,937 tons due to larger shipments from Shanghai.

Liquid Fuel.—Shows an increase of 24,979 tons due to a greater demand by shipping on this commodity for bunkers.

Rice.—Shows an increase of 47,952 tons due to the high freights obtainable during the year and large quantities having been discharged at this Port for re-shipment to Japan.

Sandalwood.—Shows an increase due to one vessel being available solely for this trade during the year.

Sugar.—Shows an increase of 115,423 tons due to former restrictions placed by the Dutch Authorities in Java being removed.

Timber.—Shows a small increase chiefly accounted for through small shipments from Pacific Ports.

General Cargo.—Shows an increase of 80,246 tons principally due to larger quantities being discharged at this Port waiting transhipment.

Decreases:—

Bulk and Case Oil.—Show a decrease of 23,536 tons mainly due to the shortness of tonnage and a smaller demand by Chinese, owing to the danger in carriage through piratical bands in Southern China.

Coal.—Shows a decrease of 371,325 tons due to the high prices prevailing and shortness of tonnage.

Cotton Yarn and Cotton.—Show a further decrease this year of 23,556 tons due to the general shortness of tonnage.

Transit Cargo.—Shows a decrease of 935,657 tons principally due to the restrictions on exports for European countries and shortness of tonnage.

Detailed and accurate statistics of imports and exports are now collected and published by the Imports and Exports Department.

OPIUM.

The imports and exports of certificated opium during the year are as follows:—

	Malwa. *Chests.*	Patna. *Chests.*	Benares. *Chests.*	Total. *Chests.*
Import ..	—	—	—	—
Exports ..	135½	275	89	499½

Thirty-seven (37) chests of certificated opium out of 499½ chests were exported to Canton, and the rest exported to Shanghai.

Four hundred and three (403) chests of Persian opium were imported during the year, and 366 chests were exported to Formosa.

Eight hundred and fifty six (856) chests of uncertificated Indian opium were imported: 456 chests for the Government Monopoly, and the remaining 400 chests for the Macao opium farmer.

EXPORTS.

The corresponding figures relating to ships of European type of construction, exporting cargo and shipping bunker coal, are as follows:—

	1917.		1918.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers	3,571	6,139,214	3,332	4,862,038	..	..	239	1,277,176
River Steamers..	4,153	2,415,846	3,657	2,028,085	..	..	496	387,761
Sailing Vessels ..	..	..	3	7,396	3	7,396	..	..
Total	7,724	8,555,060	6,992	6,897,519	3	7,396	735	1,664,937
			Deduct Increase	..	...	..	3	7.396
			Net Decrease ..	..	..	..	732	1,657,541

Exported 2,617,464 tons, including River Trade, as compared with 2,514,331 tons in 1917.

	1917.		1918.		Increase.		Decrease.	
	Strs.	Bunker Coal.	Strs.	Bunker Coal.	Strs.	Bunker Coal.	Strs.	Bunker Coal.
Steamers ..	3,571	407,395	3,332	357,109	..	..	239	50,286
River Steamers	4,153	76,582	3,657	52,322	..	.. ..	496	24,260
Total ..	7,724	483,977	6,989	409,431	..	..	735	74,546
				Net Decrease	..	..	735	74,546

Emigration and Immigration.

Forty-three thousand eight hundred and thirty (43,830) emigrants left Hong Kong for various places during the year 1918, (96,298 in 1917). Of these, 18,193 were carried in British ships, and 25,637 in foreign ships.

Seventy-four thousand one hundred and nine (74,109) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this Colony or from coast ports, as against 98,232 in 1917. Of these 35,109 arrived in British ships and 39,000 in foreign ships.

Statement of Number of Emigrants to Straits Settlements, 1909 *to* 1918, *compared with Total Chinese Emigration.*

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1909	48,016	77,430
1910	76,705	111,058
1911	100,906	135,565
1912	84,024	122,657
1913	102,353	142,759
1914	44,974	76,296
1915	41,278	68,275
1916	82,797	117,653
1917	63,292	96,298
1918	39,196	43,830

(*b*)—INDUSTRIES.

(i)—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the years 1917 and 1918:—

1917.

Taikoo Dockyard & Eng. Co., Ltd.	4	vessels of	8,919	gross tons	and	5,850	I.H.P.
Hong Kong & Whampoa Dock Co., Ltd.	7	„	14,954	„	„	9,400	„
Ah King	9	„	112	„	„	96	„
Sum Kee	3	„	42	„	„	56	„
W. S. Bailey & Co.	3	„	65	„	„	105	„
Total	26	vessels of	24,092	gross tons	and	15,507	I.H.P.

1918.

Taikoo Dockyard & Eng. Co., Ltd.	2	vessels of	3,456	gross tons	and	1,700	I.H.P.
Hongkong & Whampoa Dock Co., Ltd.	6	„	5,489	„	„	5,810	„
W. S. Bailey & Co.	6	„	150	„	„	200	„
Kwong Tuck Cheong	2	„	1.723	„	„	900	„
Lau Sum Kee	1	„	1,030	„	„	480	„
Total	17	vessels of	11,848	gross tons	and	9,090	I.H.P.

Sugar Refineries.—The year 1918 was remarkable for the unprecedented rise in the price of Java raw sugars—from less than f. 5.00 in July to about f. 12.50 in November. Demand in China was strong throughout the major portion of the year, but business was severely curtailed in the early summer through the tonnage restrictions imposed by the authorities in Java. Thereafter imports were on a heavy scale, and China readily absorbed all available supplies of Hong Kong Refineds, until the last two months of the year, when the increasing tightness of money, coupled with advances in rates, checked business very considerably. Demand from the Persian Gulf continued strong, but business bulked much less than in 1917 owing to the very restricted tonnage available, the greater part of the carrying being done by Japanese bottoms.

Cotton Yarn.—The influence of the War upon the yarn trade (as upon all business) has been more acutely felt than ever during the past year, and although there has been a wide range of fluctuations in price, the trading has been generally profitable for both merchants and dealers.

American cotton in Liverpool was priced at 23·20 pence per lb. at the beginning of the year, and at 22·20 at the close. The highest point reached was 25·94 in September.

The year opened with Exchange at 3/-T/T. It rose as high as 3/8 in September, and closed at 3/4¼.

The quantity of yarn (as of all merchandise) coming to the Colony has been considerably below that of former years, but statistics based on values, however, would probably not reveal this conclusively, owing to the high cost of raw materials, freight, insurance, and other charges, which of course swell the value figures as compared with those of quantity.

The off-take by Southern China has been curtailed owing to the high prices now required for most goods, and to the decreased purchasing power due to war conditions adversely affecting China's export trade.

Trade has suffered by the political chaos that exists in China and there has been a lack of confidence in native circles caused by many of the usual trade routes being infested by pirates and bandits recruited from the disbanded but unpaid soldiery, which has served to check the free flow of goods and money.

The statistical position of trade in most goods however is sound, and granted settled conditions the prospects of business are encouraging.

Rope Making.—The demand for Manila cordage was not so good and the total turnover showed a falling off from that of the previous twelve months. The high cost of raw materials and increased rates of freight were maintained throughout the year and these together with the high exchange greatly affected business with gold standard countries. Not only this, but the consumption of rope was naturally affected by war conditions, and the demand for cordage especially towards the end of the year fell off considerably.

Cement Making.—The demand continued good during the year although there were still difficulties in obtaining freight room, and the high exchange interfered to a large extent with exports to gold standard countries. It was necessary to raise selling prices during the year owing to the high cost of coal, but on the whole the turnover compares favourably with the last two years.

Tin.—Business in this commodity remained about the same as in 1917. Imports from Yunnan during the year amounted to about 12,500 tons, and from Kwangsi to about 200 tons, as against 11,000 tons and 200 tons respectively in 1917. From Java 500 tons were imported.

During the year about 400 tons were exported to Japan, 1,200 tons to Shanghai and other China coasts ports, and 10,700 tons to Europe, Canada, and the United States of America.

Rattan and Fibre Furniture.—The value of rattan and fibre furniture exported during 1918 declined to $10,000 from $200,000. The value of rattan canes exported was about $1,600,000, and that of grass and reed was about $230,000, as against $1,500,000 and $130,000 respectively in 1917.

Native Tobacco.—Business was about the same as in 1917.

Tinned Goods.—The volume of business done during the year was about the same as in 1917.

Samshu.—The volume cn business done during 1918 was about the same as in 1917.

Vinegar.—The business was about the same as in 1917.

Knitted Vests and Socks.—Business declined by 20 per cent., but prices went up about 15 per cent.

Leather and Hides.—Business showed a decrease of over 30 per cent.

Ginger and Preserves.—This has been a bad year, owing to the absence of orders from Europe and America.

Soy.—About 400 casks were exported in 1918 as compared with 950 casks in 1917.

Paper.—Business in this article maintained the same level in 1918 as in 1917, though prices went up by over 30 per cent. Of the papers imported during the year about 80 per cent. were of Japanese manufacture.

Vermilion.—The business done in 1918 amounted to about $700,000, as compared with about $600,000 in 1917.

Lard.—Business declined by 50 per cent. as compared with 1917.

(*c*)—FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d*)—FORESTRY, AGRICULTURE, AND BOTANY.

About 35,000 pine tree seedlings were planted on the hills in the vicinity of the Fanling Golf Course, over 8,000 in the Cheungshawan catchment area, and 1,000 on Cheung Chau Island.

On the hills east of the Fanling Golf Course, pine tree seeds were sown *in situ* from which about 105,000 trees have been raised.

At Aberdeen nearly 9,000 pine trees were raised from seeds sown *in situ.*

Creepers damaging trees in various plantations in Hong Kong were cut.

About 3,000,000 square feet of undergrowth were cleared in connection with anti-malarial measures.

In connection with survey and other works, about 4,500,000 square feet of undergrowth were cleared.

Vegetables were grown in the economic garden, Fanling, for demonstration purposes.

The crops of rice, lichees, and peanuts were fair.

Several hundred specimens of Kwangtung and other plants were presented to the Department by the Bureau of Science, Manila, and the Canton Christian College.

A few additions were made to the local flora.

(*e*)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown land and pier rights for the year 1918 was $243,530, an increase of $95,444 on the preceding year, and $59,538 more than the average for the past five years.

The principal items were $42,980 in respect of an extension of Kowloon Marine Lot No. 27 and Hunghom Inland Lot No. 218, $25,800 in respect of Aberdeen Inland Lots Nos. 81 to 88, $23,174 in respect of Hunghom Inland Lots Nos. 257 and 258, and $19,116 in respect of Kowloon Inland Lot No. 1357.

In the New Territories the net amount received for premium on sales of land was $54,052, being an increase of $42,430 on the preceding year.

The number of deeds registered in the Land Office was 2,922 or 98 more than the preceding year, the total consideration being $47,726,785 as against $42,666,837 in 1917.

The Government resumed several large areas during the year, including Kowloon Marine Lot No. 83, Kowloon Inland Lot No. 1178 and section A of Farm Lot No. 22.

The total area of land granted during the year was 890 acres, of which 664½ acres were situated in the New Territories; the total area of land resumed was 48½ acres.

In the Northern District of the New Territories there was rather less demand for house sites and agricultural land but this was more than made up for by increased demand for land, for growing fruit and other trees. Applicants have in several cases been allowed to purchase grave sites on the more remote hillsides on condition of planting the neighbourhood with trees, a condition which they are quite ready to accept.

In the Southern District the demand for land has been about the same as in previous years.

III.—LEGISLATION.

Fifteen Ordinances were passed during 1918 of which six were amendments of previous Ordinances.

The most important matters with which these Ordinances dealt were the Indecent Exhibitions (No. 3), Bills of Exchange (Time of Noting) (No. 4), Claims against Enemies (No. 5), Peak District (Residence) (No. 8), General Military Service (No. 9), Copyright (No. 11), and Opium (No. 13).

IV.—EDUCATION.

No important changes have taken place in the Education Department during the year under review. The staff has been depleted by causes due to the War, but the deficiency has been met in part by the appointment of mistresses resident in the Colony.

The most important schools, apart from the excluded schools, are ***Queen's College*** for Chinese, four ***District Schools*** its feeders, and the ***Belilios Public School*** for Chinese girls. There is an ***Indian School*** of growing importance now housed in a new building presented to the Colony by Sir Ellis Kadoorie. ***Kowloon School*** and ***Victoria School*** for children of British parentage have an average attendance of about 120. There is also a school for the children of the Peak District. The ***Diocesan School and Orphanage*** and ***St. Joseph's College*** are important boy's schools in receipt of an annual grant. The ***Italian, French,*** and ***St. Mary's Convents***, and the ***Diocesan Girls' School***, are the most important of the English Grant Schools for girls.

The Hong Kong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1918 in mathematics, machine drawing, architectural design, and building construction; in chemistry and physics; in commercial English, logic, and political economy; and in French, shorthand, and book-keeping. Classes in sanitation (public hygiene) are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London. Classes for men and women teachers, both "English" and "Vernacular," are a feature of the Institute.

The lecturers are recruited from the members of the Medical and Educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The University of Hong Kong is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

At the end of the year the number of students was 224, 76 of whom were taking the engineering course, 75 medicine, and 73 arts. While most of the students have studied in Hong Kong schools, a number come from Canton, the coast ports of China, the Straits Settlements, Siam, Japan, and Russia. There are numerous scholarships, including those founded in honour of King Edward VII, the President of the Republic of China and various Provincial Governments.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,500 per annum; whereas at Hong Kong the expenses of the University are $540 per annum for board and tuition, or including extras about a minimum of $1,000 per annum.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hong Kong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connection it is interesting to note that the Chinese residents of Hong Kong subscribed a large sum for levelling a new playing field for cricket, tennis, etc. There is also a University Union building for social purposes.

The University is composed of three Faculties: 1.—Medical, which offers ample facilities for the practice of medicine. The medical laboratories were the gifts of various Hong Kong Chinese residents. There is a large staff of instructors in medicine and all the principal medical practitioners in Hong Kong give lectures at the University. Clinical work is carried on at the Government Civil and Tung Wah Hospitals. The degrees are recognised for registration in Great Britain by the General Medical Council. 2.—Arts. The establishment of this Faculty was largely due to the munificence of a Chinese gentleman in the Straits Settlements (Mr. Cheung Pat-sze). Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. The course of instruction comprises English and Chinese literature, political and constitutional history, political economy, jurisprudence, international and commercial law, psychology, the school practice of education and history of educational theories. 3—Engineering. This Faculty is divided into three branches—Civil, Electrical, and Mechanical. The University has an exceptionally large equipment of machinery and apparatus, and has a number of laboratories and workshops. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management. Several graduates have obtained an Honour's Degree awarded by the Examiners of the London University.

The University insists upon all students having a proper knowledge of their own language although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese professors, both Hanlin graduates, give lectures on the classics and history of China.

V.—PUBLIC WORKS.

The extension of the Central Police Station referred to in last year's report was practically at a standstill throughout the year as the iron girders and stanchions required did not arrive until December. An extension of the Harbour office building, erected in 1907, which will form the northern section of an extensive range of offices for the Imports and Exports Department, was begun.

The market at Shamshuipo was completed. A site for a market at Tai O (Lantao Island) was reclaimed from the sea, the erection of the building itself being well advanced.

The erection of a second block of quarters for subordinate officers (6 houses) in Kowloon, near King's Park, was begun.

The construction of the additional service reservoir and filter beds for the supply of the western section of the City was nearly completed. The laying of an additional supply main from the Kowloon Storage Reservoir to Yaumati was begun with surplus pipes remaining from the Taitam Tuk Water Works. Operations had to be suspended however as, owing to the War, the additional pipes required were not obtainable.

In Kowloon, the construction of a new road to afford more direct access to the southern portion of the Taikoktsui peninsula was undertaken, the work being well advanced by the close of the year.

Kowloon Marine Lot 83 and Kowloon Inland Lot 1178, situated in Hunghom Bay, were resumed by Government with a view to future railway developments and the provision of facilities for discharging and loading vessels. With the same objects in view, arrangements were made with the China Light and Power Company, whereby their present premises, situated on Hunghom Inland Lot 226, will revert to Government whenever their power station has been transferred to a new site granted by Government.

For the improvement of roads in the City of Victoria, Inland Lot 1375 and a portion of Inland Lot 59 were resumed in order to improve dangerous bends in Caine Road, whilst a portion of Marine Lot 239 was resumed in order to widen Belchers Street to 50 feet. In Kowloon, several resumptions and readjustments were carried out in connection with a scheme for widening Canton Road, Battery Street, and portions of Reclamation and Shanghai Streets so as to form a thoroughfare with a minimum width of 60 feet. Portions of Kowloon Inland Lots 106 to 109 were resumed to admit of development on suitable lines of certain Crown land adjoining Nathan Road. Certain lots and buildings were resumed to provide for the future construction of a main road, 100 feet in width, from Hunghom to Kowloon City.

The riding floors known as No. 148 Des Vœux Road West were resumed in order to improve the sanitary conditions of the locality.

The work of providing scavenging lanes continues, compensation being paid where necessary.

Substantial progress was made with the Shamshuipo Improvement Scheme, many of the old village houses being demolished and replaced with new houses fronting on good wide roads.

The Government having decided to exercise greater control over the ferry services between the City of Victoria and the western side of the Kowloon Peninsula, the various piers hitherto used by such ferries, with the exception of one which is situated in front of private property, were resumed by Government. Extensive repairs were executed to the piers and turnstiles and ticket offices were erected in readiness for the new services which were to be inaugurated on the 1st January, 1919.

The total amount expended on Public Works Extraordinary was $1,578,149.12 and on Annually Recurrent Works $712,675.37.

Railway.

The goods examination shed at Kowloon Station was completed early in the year, and in order still further to encourage this traffic, the building of a reinforced concrete wharf in front of the shed extending to a suitable depth of water has been decided upon.

The roofing of the passenger platforms remained in abeyance owing to the non-arrival of the steelwork. A portion of the steelwork was ready for delivery but owing to the conditions prevailing it was not possible to ship it.

Permanent two storied quarters have been built at Lowu in British territory for the accommodation of the British section traffic, and locomotive staff of Shum Chun Station, who were previously housed in the temporary wooden station.

The wooden station building at Shum Chun leased from the Chinese section was condemned early in the year and the station staff and instruments moved to temporary accommodation provided in the Chinese section station on the main line platform. Plans for a new permanent station have been approved, and it is hoped that the building will be ready to be handed over to this section during 1919.

At Taipo Station a brickwork shelter has been provided off the down platform for the examination of passengers and their luggage arriving by launch from Sha U Chong. This has not proved to be sufficient, and additional accommodation has been sanctioned and the work put in hand in 1919.

Regarding the routes for the projected branch lines to Tai Kok Tsui and Tai Wan Bay, referred to last year, exhaustive contour surveys were carried out and the final locations for both these projects decided upon in consultation with the Honourable Director of Public Works. Plans and sections were prepared and reports and estimates completed.

On the 4th August, after several days' continuous heavy rain, an exceptional storm visited the Colony, and caused considerable damage to the railway at several points. The high bank (34 feet) at mile 14¾ subsided, necessitating a curtailment of the train service and the transference of passengers across the beach. On the Chinese section a slip occurred between Pu Kut and Li Long and through traffic was suspended until August 9th.

The revenue derived from Local Traffic amounted to $167,579.65 and from Through and Joint Sectional Traffic to $265,694.78.

The Working Expenses amounted to $356,221.07 showing a balance of Earnings over Expenditure of $77,053.36.

The Through and Joint Sectional Passengers carried were as follows:—

	1916.	1917.	1918.
Passengers booked by stations in British territory to stations in China	307,310	309,394	307,494
Passengers booked by stations in China to Stations in British Territory	344,220	352,008	323,642

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the Harbour.

The Civil Hospital contains 150 beds in 19 wards. 3,677 in-patients and 14,480 out-patients were treated during 1918, as against 3,292 and 13,065 respectively in 1917. 211 cases of malarial fever were admitted, as against 361 in 1917 and 360 in 1916. But the total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows a decrease of 434 cases, as compared with the year 1917. The Maternity Hospital contains 12 beds for Europeans and 4 for Asiatics. 377 confinements occurred during the year, as against 309 in 1917. The Victoria Hospital at the Peak contains 41 beds, and,.during 1918, 147 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 26 cases were treated in 1918, all being infectious.

(*b*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 217 patients of all races were treated during 1918 and there were 7 deaths.

(*c*)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptons of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this instituton. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 323 beds in the buildings and 6,562 patients were accommodated during 1918.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 58 beds and, during 1918, 5 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hong Kong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1918 was 1,593 and the expenditure $23,128.76. The number of labours in the Maternity Hospital was 543. The Government makes a grant of $300 per annum to these Hospitals.

To avoid the complete seclusion from friends and relatives, which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of 3 acres and provides accommodation for 210 patients. The existing buildings contain 70 beds and 2,336 patients were accommodated during 1918. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education, the Hong Kong University is an Aided Institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1918 the number of persons admitted was 356 and at the close of the year 53 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Indian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was $40,185.59 for the year 1918. The Government makes an annual grant of $2,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII. CRIMINAL AND POLICE.

The total of all cases reported to the police was 8,449, being a decrease of 1,059 or 11·14 per cent. as compared with 1917. There was in 1918 an increase in serious offences of 153 or 4·47 per cent. as compared with the previous year. The number of serious offences reported was 253 over the average of the quinquennial period commencing with the year 1914. The number of minor offences reported shows a decrease of 1,212 as compared with 1917, and was 1,315 below the average of the quinquennial period.

The total strength of the Police Force in 1918 was Europeans 159, Indians 481, Chinese 588, making a total of 1,228 (as compared with 1,229 in 1917) exclusive of the five superior officers and staff of clerks and coolies. These figures include police paid for by the Railway and other Government Departments. Of this force 16 Europeans, 121 Indians and 36 Chinese were stationed in the New Territories during the year.

Up to the end of the year one assistant superintendent, one probationer, and 67 members of the Hong Kong Police Force had proceeded on active service.

The District Watchman Force, numbering 100, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol.

The total number of persons committed to Victoria Gaol was 3,577 as compared with 3,386 in 1917. Of these 1,498 were committed for criminal offences, against 1,734 in 1917. Of committals for non-criminal offences there were 5 more for hawking without a licence, and 2 less for unlawfully boarding steamers, than in 1917.

The daily average of prisoners confined in the gaol was 601, the average for 1917 being 600, and the highest previous average being 726 in 1904. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·10. The average percentage for the last ten years was 0·12. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The gaol has accommodation for 707 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 1·05, as compared with 1·36 in 1917 and 1·34 in 1916.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, tin-smithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $69,202, as against $67,333 in 1917. A sum of $3,954 was received and credited to Government for non-Government work, against $3,601 in 1917.

IX.—VITAL STATISTICS.

(*a*)—POPULATION.

The civil population of the Colony according to the Census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the Census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 561,500, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 548,000, of whom 13,500 were non-Chinese.

(*b*)—PUBLIC HEALTH AND SANITATION.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hong Kong during 1911, 1912, and 1913 elected to remain in the Colony.

The corrected birth-rate for the year was 4·4 per 1,000 among the Chinese community and 22·1 per 1,000 among the non-Chinese community, as compared with 6·9 and 20·8 for 1917.

The death-rate for the year was 29·6 per 1000 among the Chinese community and 19·5 among the non-Chinese community, as compared with 23·7 and 14·00 for 1917.

The number of deaths from malaria (398) shows a decrease on the previous year (416). The deaths of Chinese from this cause in the City of Victoria numbered 176 out of a population of 299,450, or a rate of 0·6 per 1,000 per annum.

The deaths from plague numbered 251, as compared with 35 in 1917. Small-pox deaths numbered 26, all Chinese.

There were 3,169 deaths from respiratory diseases, as compared with 2,248 in 1917, and 51 of these were among the non-Chinese community. Pulmonary tuberculosis claimed 118 Chinese and 6 non-Chinese victims whilst other forms of tuberculosis represent an additional 616 deaths making a total of 740, or 5·4 per cent. of the total deaths among the community.

Beri-beri was responsible for 804 deaths, as compared with 654 during 1917 and 517 in 1916. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice, when fresh meat or fresh fish cannot be afforded.

A tabular statement of the principal causes of death is appended.

(*c*)—CLIMATE.

The principal features of the weather in 1918 were :—

(*a*) The continuance until the end of February of the fine dry weather which commenced at the beginning of November 1917.

(*b*) The heavy rains of June (24·795 ins.), August (29·230 ins.), and September (18·450 ins.).

(*c*) A typhoon which passed about 40 miles to the south-west of Hong Kong, on the morning of August 15th. A squall at the rate of 94 miles an hour was recorded by the Dines Baxendell Anemograph at 6 hours 10 minutes a.m. Very little damage occurred at Hong Kong.

January was a record month as regards most elements. Barometric pressure and sunshine were the greatest on record, and the temperature, humidity and cloudiness the least on record. The wind direction (N.E. by E.) was with 1890, 1898 and 1899 the most northerly on record, and the wind velocity was only 0·2 m.p.h. greater than the least on record (1916).

Barometric pressure was considerably above normal in January and considerably below in July. Departures from normal in other months were small. The mean pressure for the year at station level was 29·847 ins. as against 29·845 ins. in 1917, and 29·844 ins. for the past 35 years. The highest pressure was 30·391 ins. on January 8th as against 30·494 ins. in 1917 and 30·509 ins. for the past 35 years. The lowest pressure was 29·108 ins. on August 15th as against 29·078 ins. in 1917 and 28·735 ins. for the past 35 years.

The monthly departures of temperature from normal were small, except in January when the mean temperature was no less than 5°·8 below normal The mean temperature for the year was 71°·2 as against 71°·0 in 1917 and 71°·8 for the past 35 years. The highest temperature was 91°·2 on July 14th as against 90°·8 in 1917 and 97°·0 for the past 35 years. The lowest temperature was 42°·1 on January 9th as against 38°·8 in 1917 and 32°·0 for the past 35 years.

The rainfall was considerably below the average from January to May and considerably above the average in June, August and September. The total for the year was 101·605 ins. the greatest on record since 1894, when it was 104·25 inches. The greatest fall in one civil day was 7·395 inches on August 3rd and the greatest in one hour was 2·420 ins. between 1 a.m. and 2 a.m. on September 21st.

The wind velocity was considerably below normal in January, April, June (the lowest on record) and October. In August it was moderately above normal, owing to the passage of two typhoons. The mean velocity for the year was 11·6 m.p.h. as against 11·2 m.p.h. in 1917 and 12·7 m.p.h. for the past 35 years. The maximum velocity for one hour as recorded by the Beckley Anemograph was 63 miles at 6 hours, on August 15th, as against 63 miles in 1917 and 108 for the past 35 years. The maximum squall velocity, as recorded by the Dines Baxendell Anemograph, was at the rate of 94 m.p.h. at 6 hours 10 minutes a.m., on August 15th, as against 93 m.p.h. in 1917, and 105 m.p.h. for the past 9 years.

The climate of Hong Kong is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is usually from 3° to 6° lower than at the Observatory, Kowloon. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the S.W. monsoon, being sheltered by steep hills from S.E. to S.W. In winter it is exposed to the N.E. monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the South-west side of the Island is protected from the N.E. monsoon in winter and enjoys the benefit of the S.W. monsoon in summer.

X.—POSTAL AND TELEGRAPH SERVICES.

The total revenue from the Postal Service in 1918 amounted to $427,132.88 being $23,263.01 more than that collected in 1917. The net expenditure after deducting the sum of $70,276.74 (£12,591. 5*s.* 0*d.* at 3/7 per $) refunded to this Colony by the Post Office of the United Kingdom in respect of the period 1st July, 1917, to 30th September, 1918, on account of the suspension of the P. & O. Mail Contract Service (Bombay-Shanghai Section) amounted to $156,107.69, being less than that of 1917 by $103,107.14 due to the high rate of exchange prevailing during the year under review and the refund referred to above. The balance of revenue over expenditure amounted to $271,025.19. The Bombay to Shanghai Section of the P. & O. Contract Mail Service was suspended throughout the year. Mails superscribed for the Suez route were, as a rule, forwarded from here to Bombay to connect with the homebound P. & O. packets sailing from there. The Pacific route either *via* Canada or *via* the United States was regularly used throughout the year for the transmission of mails for Europe.

The Parcel Post Service to the United Kingdom *via* Canada was suspended as from 10th May, owing to transport difficulties in the Atlantic.

Through the courtesy of Messrs. Butterfield & Swire, to whom the thanks of the Post Office Department are due, facilities were granted for the exchange of direct Parcel Post Mails with the United Kingdom *via* Suez by vessels for which they are agents.

The revenue collected in 1918 from radio-telegrams amounted to $24,011.25 being $699.70 more than that collected in 1917. Advices of vessels signalled at the lighthouses yielded $437·00 and semaphore messages $5.35 making a total of $24,453.60 for the Telegraphic Service. The expenditure amounted to $25,100.73. The number of radio-telegrams forwarded during the year was 1,117, consisting of 108,330 words, and 1,475 received consisting of 19,243 words.

XI.—GENERAL OBSERVATIONS.

The outstanding event of the year was the conclusion of hostilities in Europe. In this remote Colony the effects of the War have been felt less directly than in many parts of H.M. Dominions; but Hong Kong gave of her best, in money and in men of British race, and at least she has no reason to feel ashamed of the small but steadfast part which she played in the great adventure.

The world-wide dearth of shipping for mercantile purposes had a marked effect upon the trade of the Colony, which is so entirely dependent upon ships for its prosperity. Trade with the United Kingdom was reduced in volume, but the trade routes across the Pacific Ocean were well supplied by Japanese vessels, and markets which had formerly taken British goods turned towards America and Japan.

In order to protect as far as possible the essential interests of the Colony, the Government took over early in the year the control of seventeen British ships registered in Hong Kong and Shanghai. These vessels were the only British ships remaining on the China Coast which were not under the Imperial liner requisition scheme and had not been taken over by the Imperial Government, for whose purposes they were unsuitable. The owners gave their loyal co-operation, and the tonnage thus acquired served a most useful purpose, the ships being diverted as occasion demanded to meet the Colony's more pressing needs.

The political dissensions and domestic disputes, which have for some time past formed so unfortunate a feature of Chinese national life, continued throughout the year, to the grave detriment of trade in the Kwong Tung and Kwong Sai Provinces. The prevalent lawlessness led to a considerable influx of bad characters into Hong Kong, with a consequent increase in crimes of violence, four members of the Police Force being murdered on one occasion by an armed gang of desperadoes. The most stringent measures were taken to cope with the situation, and they were attended with marked success.

The close supervision of the trade of the port, which was rendered necessary by the War, has made it possible to collect accurate trade statistics, and the first complete returns in the history of the Colony, covering the year 1918, have now been published. The necessary steps are being taken for the proper compilation of the returns in future years, after war conditions have ceased.

In the early part of 1918 there occurred a severe epidemic of cerebro-spinal meningitis which caused some 968 deaths. In consequence of this outbreak the Government of the Straits Settlements prohibited for some months the immigration of coolie labour from Hong Kong into Singapore, and the local boarding house keepers and others interested in the business suffered heavily in consequence.

A series of earthquake shocks in February caused some alarm though the resulting damage was inconsiderable. The neighbouring port of Swatow suffered very severely.

In the same month, in the course of the annual race meeting, some temporary stands which were occupied mainly by Chinese collapsed and were almost immediately consumed by fire, over 600 persons losing their lives.

In June an Ordinance was passed for the raising of a force for Military Service outside the Colony, its application being confined to men of British race. The very large majority of available men of military age had already left as volunteers for active service but certain of the younger men who were retained in essential occupations pressed to have their position made clear, and a tribunal was accordingly established with powers to decide who should be required to go, and who should remain exempt. In the result the tribunal dealt with 206 men and decided that 54 should be sent on active service.

Towards the close of the year the price of rice, the staple food of the native population, rose rapidly, partly because of the failure of crops in the producing centres and partly owing to the large demand from Europe caused by the general shortage of foodstuffs. The price subsequently fell somewhat, though it did not reach its normal level.

The finding of wolfram in considerable quantities in Chinese territory immediately adjacent to the Colony and the general rise in the price of metals and minerals led to considerable activity in prospecting, with the result that wolfram was mined in small quantities and traces of various other minerals were discovered. The prospecting is still being energetically carried on.

Sir Henry May, Governor of Hong Kong, left the Colony in September on urgent private affairs and he subsequently resigned his appointment on grounds of health. His service under the Crown extended over 38 years and practically the whole of his career was passed in Hong Kong. He served the Colony wholeheartedly, with all his mind and with all his strength, and its ever increasing beauty and prosperity stand as a monument in record of his work.

M. FLETCHER.

Colonial Secretary.

12th May, 1919.

DEATHS REGISTERED IN THE COLONY OF HONG KONG DURING 1918.

		Influenza.	Small-pox.	Measles.	Enteric Fever.	Diphtheria.	Cerebro-spinal Meningitis.	Dysentery.	Plague.	Malaria.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Civil Community		14	..	4	15	..	11	6	..	6	..	4	..	1	24	5	8	6	4	4	5	13	32	30	1	1	..	7	57	6	264
Chinese Community	Victoria and Peak	231	8	18	80	73	652	116	215	176	6	80	427	18	*672	609	141	386	451	36	166	113	1639	587	572	28	15	201	1201	209	9126
	Harbour ..	24	3	..	10	10	46	16	4	82	3	3	9	..	25	6	102	17	109	8	15	3	102	138	34	7	2	12	125	118	1033
	Kowloon..	129	13	4	72	15	242	80	31	70	4	23	7	1	49	17	154	57	178	12	11	23	414	276	182	10	5	60	483	162	2784
	Shaukiwan	6	2	..	2	..	14	7	1	12	..	..	1	1	10	14	25	4	52	..	4	2	61	12	29	1	..	5	56	27	348
	Aberdeen	..	..	..	..	..	3	..	..	43	2	..	1	..	1	..	7	5	7	1	20	..	3	18	1	..	..	..	4	7	123
	Stanley ..	1	..	..	..	..	..	..	..	9	..	..	1	..	1	..	9	..	3	..	2	..	..	4	1	..	..	..	4	1	36
Total, 1918 ..		405	26	26	179	98	968	225	251	398	15	110	446	21	782	651	446	475	804	61	223	154	2251	1065	820	47	22	285	1930	530	13714
" 1917 ..		..	549	7	116	51	..	190	35	416	21	142	336	53	184	659	468	438	654	57	147	136	1532	854	775	45	34	267	1918	349	10433

*There were 522 deaths caused by the fire at the Racecourse unidentified.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:

ANNUAL.

No.	Colony, &c.	Year.
967	Solomon Islands	1917–1918
968	Grenada	,,
969	Turks and Caicos Islands	1917
970	Northern Territories of the Gold Coast	,,
971	Ceylon	,,
972	Hong Kong	,,
973	Zanzibar	,,
974	St. Helena	,,
975	Malta	,,
976	British Guiana	,,
977	St. Vincent	1917–1918
978	Bahamas	,,
979	Gambia	1917
980	Jamaica	1917–1918
981	Gibraltar	1917
982	Bermuda	,,
983	Swaziland	1917–1918
984	Trinidad	1917
985	Mauritius	,,
986	Cyprus	1917–1918
987	Bechuanaland Protectorate	,,
988	East Africa Protectorate	1916–1917
989	Barbados	1917–1918
990	Sierra Leone	1917
991	Straits Settlements	,,
992	Leeward Islands	1917–1918
993	Uganda	,,
994	British Honduras	1917
995	Gilbert and Ellice Islands	1917–1918
996	Nyasaland	,,
997	Basutoland	,,
998	Gold Coast	1917
999	Weihaiwei	1918
1000	Zanzibar	,,

MISCELLANEOUS.

No.	Colony, &c.	Subject.
79	Northern Nigeria	Mineral Survey, 1907–8 and 1908–9.
80	Nyasaland	Mineral Survey, 1908–9.
81	Southern Nigeria	Mineral Survey, 1908–9.
82	Imperial Institute	Rubber and Gutta-Percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, &c.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.

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No. 1071.

HONG KONG.

REPORT FOR 1919.

(ABRIDGED.)

(For Report for 1918 see No. 1001.)

Presented to Parliament by Command of His Majesty,
APRIL, 1921.

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No. 1071.

HONGKONG.

ANNUAL GENERAL REPORT FOR 1919.

PREFACE.

Hongkong is situated off the south-eastern coast of China between 22° 9′ and 22° 17′ N. latitude and 114° 5′ and 114° 18′ E. longitude. The island is an irregular ridge, stretching nearly east and west; its peaks rising to the height of nearly 2,000 feet above the sea level. Its length is about 11 miles, its breadth from 2 to 5 miles, its area about 32 square miles.

In 1898 an extension of Hongkong territory was agreed to by an area adjacent to British Kowloon, including Mirs Bay and Deep Bay, being leased for 99 years.

The Colony, then a desolate island, sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841; the cession was confirmed by the Treaty of Nankin in August, 1842; and the charter bears date 5th April, 1843. The additions subsequently obtained on the mainland have been noted above.

Trade increased with the opening up of China to foreign trade. Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and the trade was greatly increased by the opening of the Suez Canal.

The city is the depôt for an incessant flow of Chinese emigration and immigration; excluding China ports.

GENERAL OBSERVATIONS.

During the year, consequent on the cessation of the great war, the trade of the Colony began to recover, though the continued shortage of shipping and the high rate of freights prevented any hope of a return to normal conditions for some time.

The differences between North and South China, which caused continued fighting between the various factions in the adjacent provinces, had a very serious effect on the trade of the Colony, and an influx of bad characters to the City of Victoria was inevitable. The measures taken by the Police, however, checked to a large extent the crimes of violence which had been so prevalent in the previous year.

Owing to the abnormal situation in the Straits Settlements and Ceylon, the Hongkong rice market was seriously affected and it became necessary for the Government to take steps to ensure that the poorer classes of the Colony were able to obtain this commodity, which is their staple food, at a reasonable price. The Government therefore took general control of the rice trade in the Colony and made large purchases to tide over the threatened crisis. This action no doubt saved the Colony much trouble from the working classes who had shown signs of restlessness on account of the ever increasing price of rice which reached as high as $18.50 per picul for grades which normally could be purchased for $5.

(2350) Wt. 29921/587 1250 & 90 5/21 Harrow G.75

Celebrations in connection with the declaration of peace were held on the 18th and 19th July. Processions of various descriptions paraded the City of Victoria and the whole Colony participated in the effort to show in a suitable manner their satisfaction at the termination of the long and disastrous war.

The Colonial Secretary (Mr. Claud Severn) administered the Government from the 1st January until the arrival of Sir Edward Stubbs, who arrived in and assumed the government of the Colony on the 30th September.

I.—FINANCES.

The revenue for the year amounted to $16,524,975 being $359,240 more than the estimate and $2,140,273 less than the revenue for the previous year.

Compared with the returns for 1918 there were increases under every head with the exception of Licences and Miscellaneous Receipts.

The expenditure amounted to a total of $17,915,925 inclusive of a sum of $2,235,002 spent on Public Works Extraordinary and one of $546,712 being a contribution to the Imperial Government for war expenses.

The total expenditure brought to account amounted to $17,915,925 being $3,238,029 more than the estimate, and $1,663,753 more than the expenditure in 1918. Compared with the estimates there were decreases under 18 heads as against 6 heads where there were increases. The excess amounting to $3,821,704 under Miscellaneous Services was due to losses on rice and exchange and to increased allowances on salaries pending revision. Military Expenditure was more than the estimate by $251,833 on account of the Revenue for 1918 having been under-estimated. The item Public Works Recurrent was responsible for an excess over the estimates of $120,510. Decreases were mostly due to high exchange, Public Works Extraordinary not proceeded with, and arrears of transit charges brought to credit by the Post Office.

The balance to the debit on the year's working was $1,390,950 and the assets and liabilities account showed on the 31st December a credit balance of $4,290,188.

The following is a statement of the revenue and expenditure of the Colony for the five years 1915-1919 :—

	Revenue.	*Expenditure.*
	$	$
1915	11,786,106 ..	15,149,267
1916	13,833,387 ..	11,079,915
1917	15,058,105 ..	14,090,828
1918	18,665,248 ..	16,252,172
1919	16,524,975 ..	17,915,925

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £310,469. The Local Loan under Ordinance No. 12 of 1916 amount to $3,000,000 and there are the sums of $224,720 and £80,628 at credit of the Sinking Fund.

Under Ordinance No. 18 of 1917 a tax of 7% on Assessments was imposed to provide an Annual Contribution to the Imperial Government for purposes of the war. This was discontinued on the 30th June.

For the period 1910-1919 the assessment of the whole Colony has risen from $11,082,179 to $16,304,801, an increase in rateable value of $5,222,622.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows:—

Hongkong & Shanghai Banking Corporation ..	$24,874,290
Chartered Bank of India, Australia, & China ..	10,454,944
Mercantile Bank of India, Limited	969,276
	$36,298,510

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins less those demonetized, now amounts to $20,764,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $23,235,459 has thus been redeemed. The total issue by the Hongkong Government was of the face value of about $44,000,000.

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a.*)—SHIPPING.

The total of the Shipping entering and clearing at Ports in the Colony during the year 1919 amounted to 649,168 vessels of 35,615,169 tons, which, compared with the figures for 1918, shows an increase of 69,627 vessels, with an increase of 6,096,980 tons.

Of the above, 41,985 vessels of 21,072,129 tons were engaged in Foreign Trade, as compared with 43,436 vessels of 16,955,332 tons in 1918, and were distributed as follows:—

	1918. Numbers.	1919. Numbers.	1918. Tonnage.	1919. Tonnage
	%	%	%	%
British Ocean-going Ships ..	5·6	9·2	21·4	32·4
Foreign Ocean-going Ships ..	9·8	12·6	36·1	36·2
British River Steamers ..	13·3	13·2	20·3	15·4
Foreign River Steamers ..	3·5	3·8	3·6	2·9
Steam Launches (under 60 tons)	13·8	11·9	1·1	0·8
Trading Junks	54·0	49·3	17·5	12·3
	100·0	100·0	100·0	100·0

N.B.—The movements of Fishing Junks are not included in this Table.

Of vessels of European construction, 4,571 Ocean Steamers, 4 Sailing Ships, 3,550 River Steamers, and 2,509 Steamships not exceeding 60 tons entered during the year, giving a daily average of 29·1 ships, as compared with 27·3 in 1918, and 29·9 in 1917.

The average tonnage of individual Ocean Vessels entering the Port has increased from 1,459·2 tons to 1,583·1 tons, that of British ships has increased from 1,482·6 tons to 1,772·6 tons, while that of Foreign ships has also increased from 1,445·7 tons to 1,449·2 tons.

The average tonnage of individual River Steamers entering during the year has decreased from 484·7 tons to 448·8 tons.

That of British River Steamers has increased from 511·6 tons to 529·8 tons, and that of Foreign River Steamers has decreased from 439·9 tons to 336·6 tons.

There was an increase in British Ocean-going Shipping of 1,421 ships or 58·1 per cent., and an increase of 3,214,448 tons or 88·6 per cent. This is due to a partial recovery of shipping after war conditions owing to the release of many ships for commercial purposes.

British River Steamers have decreased by 305 ships and 190,664 tons or 5·2 per cent. in numbers and 5·5 per cent. in tonnage. This is due to two ships formerly British having been transferred to the Chinese flag, to one ship having been taken off the run for three months and another having been laid up.

Foreign Ocean-going vessels have increased by 1,040 ships with an increase of 1,507,930 tons or 24·5 per cent. in numbers and 24·6 per cent. in tonnage. This is due to partial return to pre-war conditions.

Foreign River Steamers show an increase of 89 ships and a decrease of 20,638 tons or 5·2 per cent. in numbers and 3·3 per cent. in tonnage. This is due to the transfer of two ships formerly British to the Chinese flag and to two large ships having been taken off the run.

In Steamships not exceeding 60 tons employed in Foreign Trade there is a decrease of 967 ships and a decrease of 19,049 tons or 16·1 per cent. in numbers and 10·5 per cent. in tonnage. This decrease is due to a number of Steam-launches being laid up part of the year owing chiefly to the expense of coal and to two vessels formerly run as Steam-launches having been re-measured and run as vessels over 60 tons.

Junks in Foreign Trade show a decrease of 2,729 vessels of 275,333 tons or 11·6 per cent. in numbers and 12·6 per cent. in tonnage. This decrease is but apparent. It is due to the abolition of war-time regulations, under which the movements of all junks were reported. Now many of them fail to report arrival or departure.

In Local Trade (*i.e.*, between places within the waters of the Colony) there is an increase in Steam-launches of 87,086 vessels with an increase in tonnage of 2,631,944 or 17·5 per cent. in numbers and 24·5 per cent. in tonnage. This increase is due to more shipping frequenting the Port, the employment of Launches towing having considerably increased.

Junks in Local Trade show a decrease of 16,008 vessels and 651,761 tons or 43·2 per cent. in numbers and 35·6 per cent. in tonnage. This decrease is due to abolition of war-time restrictions, under which the movements of all Junks irrespective of size were reported, whereas many of them now fail to report their movements.

The actual number of individual Ocean-going Vessels of European construction during the year 1919 was 957, of which 301 were British and 656 Foreign. In 1918 the corresponding figures were 675, of which 162 were British and 513 Foreign.

These 957 ships measured 2,230,105 tons. They entered 4,575 times and gave a collective tonnage of 7,242,689. Thus 282 more ships entered 1,232 more times and gave a collective tonnage greater by 2,364,580 tons, an average of 1,919·3 tons per entry.

The 301 British ships carried 2,408 British officers and 32 Foreign officers, the latter consisting of 5 Norwegians, 18 Americans, 2 Danish, 2 Swedish, 1 Roumanian, 3 Russians, and 1 Greek.

Thus, the proportion of Foreign officers in British ships was 1·33 per cent., comprising 7 nationalities, a decrease of 1·40 per cent., with a decrease in number of officers and an increase in ships.

The 656 Foreign ships carried 4,659 officers, of whom 78 were British, as follows:—

	1918.	1919.
In Chinese ships	45	34
„ Japanese ships	2	2
„ French ships..	1	1
„ United States ships ..	9	26
„ Greek ships		15
	57	78

Thus 1·6 per cent. of the officers serving in foreign ships were of British nationality, with an increase in the number of officers and an increase in the number of ships.

TRADE.

Detailed and accurate statistics of imports and exports are now collected and published by the Imports and Exports Department. The rough statements hitherto included in these reports are therefore discontinued.

IMPORTS.

The number and tonnage of ships of European type construction carrying cargo for import and transit, compared with 1918, were as follows:—

	1918.		1919.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers	3,337	4,864,643	4,571	7,237,333	1,234	2,372,690	—	—
River Steamers ..	3,660	2,028,674	3,550	1,917,236	—	—	110	111,438
Sailing Vessels ..	6	13,466	4	5,356	—	—	2	8,110
Total	7,003	6,906,783	8,125	9,159,925	1,234	2,372,690	112	119,548
			Nett Increase ..		1,122	2,253,142	—	—

EXPORTS

The corresponding figures relating to ships of European type of construction, shipping bunker coal, are as follows :—

	1918.		1919.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers	3,332	4,862,038	4,560	7,219,802	1,228	2,357,764	—	—
River Steamers ..	3,657	2,028,085	3,551	1,928,221	—	—	106	99,864
Sailing Vessels ..	3	7,396	4	5,356	1	—	—	2,040
Total ..	6,992	6,897,519	8,115	9,153,379	1,229	2,357,764	106	101,904
			Net Increase ..		1,123	2,255,860	—	—

	1918.		1919.		Increase.		Decrease.	
	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.
Steamers ..	3,332	357,109	4,560	850,386	1,228	493,277	—	—
River Steamers ..	3,657	52,322	3,551	53,439	—	1,117	106	—
Total ..	6,989	409,431	8,111	903,825	1,228	494,394	106	—
			Net Increase ..		1,122	494,394	—	—

The River Trade, compared with 1918, is shown in the following Table :—

Year.	Imports.	Exports.	Passengers.
	TONS.	TONS.	
1918	362,146	399,458	1,410,400
1919	323,536	328,369	1,373,947

The following Table shows the Junk Trade of the Colony for the years 1918 and 1919 :—

Imported **558,509** tons as under :—

	Tons.
Cattle, **1,608** head	**139**
Swine, **8,460** head	**498**
General	545,641
Earth and Stones	12,181
Total	558,509

Exported **794,566** tons as under :—

	Tons.
Kerosine, **2,385,000** cases	68,710
Rice and Padi	142,262
Coal	192,869
General	390,765
Total	794,566

OPIUM.

The imports and exports of certificated opium during the year are as follows :—

	Malwa. *Chests.*	Patna. *Chests.*	Benares. *Chests.*	Total. *Chests.*
Import	—	—	—	—
Export	—	—	10	10

Ten chests of certificated opium were exported to Kwong Chow Wan.

Three hundred and seventy-one (**371**) chests of Persian opium were imported during the year, and **8** chests were exported to London, **13** chests to Singapore, and **350** chests to Formosa.

Eight hundred and sixty-nine (**869**) chests of uncertificated Indian opium were imported: **374** chests for the Macao Opium Farmer, and the remaining **495** chests for the Government Opium Monopoly.

The Table below shows the total imports and exports since 1911 :—

	1919. Chests.	1918. Chests.	1917. Chests.	1916. Chests.	1915. Chests.	1914. Chests.	1913. Chests.	1912. Chests.	1911. Chests.
Stock in hand on 1st January.	253	799½	977½	1,303½	2,256½	4,580½	5,560	7,587	7,123
Imported during the year.	1,290	1,259	1,657	1,706	1,873	3,059½	9,108½	12,361¼	21,286
Total ..	1,543	2,058½	2,634½	3,009½	4,129½	7,640	14,668½	19,948¼	28,409
Boiled by Opium Farmer.	—	—	—	—	—	36	667	1,113	761
Boiled by Government.	377	539	352	365	340	413	—	—	—
Spurious Opium destroyed.	—	1	13	—	17	19	—	2	—
Missing or stolen	—	—	1	—	—	4	2	9	—
Exported during the year.	837	1,265½	1,469	1,667	2,469	4,911½	9,419	13,264¼	20,061
Total ..	1,214	1,805½	1,835	2,032	2,826	5,383½	10,088	14,388¼	20,822
Stock remaining on 31st December	329	253	799½	977½	1,303½	2,256½	4,580½	5,560	7,587

Emigration and Immigration.

Fifty-nine thousand nine hundred and sixty-nine (59,969) emigrants left Hongkong for various places during the year 1919, (43,830 in 1918). Of these, 25,303 were carried in British ships, and 34,666 in Foreign ships.

One hundred and thirty-six thousand and twenty (136,020) returning emigrants were reported to have been brought to Hongkong from the several places to which they had emigrated either from this Colony or from Coast Ports, as against 74,109 in 1918. Of these 92,385 arrived in British ships, and 43,635 in Foreign ships.

(*b*.)—INDUSTRIES.

(i.)—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the year 1919 :—

Taikoo Dockyard and Eng. Co., Ltd... ..	6	vessels of	22,311	gross tons and	14,450	I.H.P
Hongkong & Whampoa Dock Co., Ltd. ..	9	,,	17,415	,, ,,	13,975	,,
W. S. Bailey & Co.	8	,,	700	,, ,,	1,750	,,
Kwong Tuck Cheong	2	,,	948	,, ,,	800	,,
Total	25	vessels of	41,374	gross tons and	30,975	I.H.P.

Sugar Refineries.—1919 was a good year. Demand from China was consistent, at steadily advancing prices, with the exception of a period of one to two months during the summer, when heavy speculation destroyed all confidence in the market. During the latter part of the year the incidence of the Japanese boycott threw an unusually heavy demand on all other sources of supply, thus adding a stimulus to an already brisk demand for Hongkong Refineds. As a matter of interest, prices of raw sugar in Java rose from f. 13 in January, to f. 42 at the end of December.

India and the Persian Gulf, in common with the markets the world over, have felt the pinch of a general shortage of supply, and there were demands from all sources for Refineds, much in excess of Hongkong's capacity for export.

Yarn.—The quantity of Yarn imported into the Colony during 1919 was greater than during any of the war years, and the market on the whole kept very steady.

Yarn prices dropped slightly at the commencement of the year and reached their lowest in April/May, when 10*s*. Yarn was sold at $190 per bale. The price then advanced, and at the end of the year business was done at over $260. Yarn of higher counts, say 20*s*., rose from $260 to $365.

The total quantity of Indian Yarn imported during the year amounted to 142,000 bales, and 22,000 bales were brought forward from the previous year.

Clearances were very good and totalled 147,000 bales, leaving a carry over of 17,000 bales.

Speaking generally, the year has been a profitable one for both merchants and dealers.

Cotton.—Liverpool Cotton in January was quoted at 20·04*d.* per lb. for spot and during the end of the month it receded a few points and steadily declined until about the end of March it was quoted at 15·83*d.* for ready and 13·61*d.* for forward. It then rose steadily with very few set-backs, until the end of July when it was quoted at 21·44*d.* for spot, 21·71*d.* and 21·97*d.* for September/October respectively. It again declined and during September it touched as low as 17·60*d.* for spot. After reaching this point it again firmed up and steadily advanced to 27·50*d.* at which it was quoted at the end of the year.

The year opened with Exchange at 3/4. It declined slowly until by the beginning of March it reached 3/0¾. It then reacted and has steadily risen with a few fluctuations until at the close of the year T/Ts. on London were quoted at 4/10½.

Trading has been rendered somewhat difficult by the various alterations in the value of the Rupee which in January was equivalent to 1/6 and rose at the end of the year to 2/5¾.

Rope Making.—The demand for Manilla Cordage was fairly good but the total turnover showed a falling-off from that of the previous twelve months. The high rates of exchange and freight which ruled throughout the year affected considerably our exports to gold-standard countries.

Cement Manufacture.—The demand continued good during the year and tonnage was more plentiful. The high exchange again interfered to a very large extent with exports to gold-standard countries. On the whole the turnover compared favourably with the last three years.

(ii.)—*Under Chinese Management.*

Tin.—This trade showed a decrease as compared with that in 1918. Imports from Yunnan during the year amounted to about 6,800 tons and from Kwangsi to about 200 tons as against 12,500 tons and 200 tons respectively in 1918. From Java 320 tons were imported and from the Straits 2,000 tons.

During the year about 250 tons were exported to Japan, 4,200 tons to Shanghai and other China Coast Ports, and 900 tons to Europe, Canada, and the United States of America.

Rattan and Fibre Furniture.—During 1919 the value of rattan and fibre furniture exported from this port increased from $10,000 to $380,000. The value of Rattan Canes exported was about $200,000 and that of Rattan Core and Seagrass was $400,000 and $80,000 respectively.

Native Tobacco.—This trade was a little better than that in 1918.

Tinned Goods.—The volume of business done during the year showed a slight increase over that done in 1918.

Samshu. }
Vinegar. } The volume of business was about the same as that in 1918.

Knitted Vests and Socks.—The volume of business increased by 10%, and prices went up about 5%.

Leather and Hides.—The trade in these articles showed a slight increase.

Ginger and Preserves.—There was a falling off of about 40% in this trade.

Soy.—During 1919 this trade showed a marked improvement, the total exports having increased to 4,400 casks from 400 casks. This was due to the improvement of shipping conditions.

Paper.—Owing to large imports from America, prices in 1919 went down about 10%. Imports from Japan declined about 20%, and the total imports into this port by about 60%.

Vermilion.—This trade was about the same as that in 1918.

Lard.—This trade showed a great increase in 1919 as the result of great demand from Europe and South America.

(*c*)—FISHERIES.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many of the New Territories, are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d*)—FORESTRY, AGRICULTURE, AND BOTANY.

About 16,000 pine-tree seedlings were planted on the hills in the vicinity of the Fanling Golf Course and 6,450 on Cheung Chau Island.

On the hills east of the Fanling Golf Course, pine-trees were sown *in situ* to produce 50,000 trees.

At Aberdeen, 5,960 pine-tree seed sites were re-sown.

On the Fanling hills, 100 lbs. of pine-tree seeds were sown broadcast, 50 lbs. on the upper part of the hills between Beacon Hill and Lion Rock on the south side, and 40 lbs. on the north side. Six and a half pounds were sown on the new grassy banks of the Chinwan coastal road.

About 9,000 pine-tree seedlings were raised in nurseries for planting in 1920.

Two thousand four hundred and fifty-five (2,455) broad-leaved trees were planted on the hills at Fanling, 3,493 on Cheung Chau Island, 718 near the new Pokfulam Filter Beds, 800 on Chinwan Police Station Hill, 60 on Mount Gough, and 48 in Kowloon Tong Cemetery.

Two hundred and twenty (220) Ficus creepers were also planted in Kowloon Tong Cemetery, 64 near Sukunpo New Recreation Ground, and 135 on Findlay Road.

In Hongkong and Kowloon, 632 flowering trees and shrubs were planted in the vicinity of roads.

Trees which had failed along the Taipo-Castle Peak Road were replaced by others.

Between Autau and Castle Peak, 1,450 Melaleuca were planted on the side of the road which had been recently widened.

Sixty-three (63) broad-leaved trees were planted along the completed portion of the Frontier Road.

The Lok Ma Chow Road, which was completed in 1918, was planted up with 172 Candle-nut trees.

Owing to the widening of the Sheungshui Road 22 trees had to be transplanted.

Planting was continued along the Cheungshawan-Castle Peak coastal road, and 1,993 trees of various kinds were put in.

One hundred and thirty-two (132) Camphor and 10 Celtis trees were planted between the 4th mile on the Taipo Road and the level-crossing at Shatin, and on the banks of the road 260 flowering shrubs.

Between the level-crossing at Shatin and Taipo 256 Melaleuca and 74 Erythrina were planted, and 20 Camphor and 8 Albizzia transplanted.

Creepers encircling trees in the Repulse Bay plantations were cut.

Caterpillars were discovered on pine trees in the Kowloon plantations in May, and 920½ catties (1,227 lbs.) were collected and destroyed.

About 3,400,000 square feet of undergrowth were cleared in connection with anti-malarial measures.

For survey and other purposes about 5,800,000 square feet of undergrowth were cleared.

Vegetables were grown in the economic garden, Fanling, for demonstration purposes.

The first rice crop was very good and the second good. Lichees were poor, peanuts fair, sugarcane and pineapples good.

In connection with the export of Narcissus bulbs to America 5,012 cases containing 627,630 bulbs were inspected and certified as apparently free from insect pests and fungus diseases.

Several hundred specimens of Kwongtung plants were presented to the Department by the Canton Christian College, 100 Chinese plants by the Nanking University, 150 Hainan plants by Mr. C. Talbot Bowring, and 332 Australian plants by the Director of the Botanic Gardens, Sydney.

A few additions were made to the local Flora.

(*e*)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown land and pier rights for the year 1919 was $250,260, an increase of $6,730 on the preceding year and $65,323 more than the average for the past five years.

The principal items were $33,870 in respect of Inland Lot No. 2273, $32,350 in respect of an extension of Marine Lot No. 277, $20,200 in respect of Kowloon Inland Lot No. 1382, and $19,360 in respect of Kowloon Inland Lot No. 1383.

In the New Territories the net amount received for premium on sales of land was $12,277 being a decrease of $41,775 on the preceding year.

The number of deeds registered in the Land Office was 3,021, and exceeded that of any previous year, being 99 more than during the preceding year, which was a record year, the total consideration being $60,152,735 as against $47,726,785 in 1918.

The Government resumed several large areas during the year including Rural Building Lot No. 111, Kowloon Inland Lot No. 96, the Remaining Portion of Inland Lot No. 82, Kowloon Farm Lot No. 11, and the Agricultural Lots in Ma Tau Chung and Ma Tau Wei Villages.

The total area of land granted during the year was 163 acres of which 127 acres were situated in the New Territories. The total area of land resumed was 89 acres.

In the Northern District of the New Territories nearly all the sites on the Taipo Fishpond Reclamation have been taken up and several excellent buildings erected. A few European houses have been erected in the neighbourhood of Sheung Shui and Kam Tsin.

In the Southern District the demand for land has been normal but there are signs of the increasing popularity of Cheung Chau as a summer resort and consequent activity in building.

III.—LEGISLATION.

Twenty-three (23) Ordinances were passed during 1919 of which six were amendments of previous Ordinances.

The most important of these Ordinances were :—

The Non-Ferrous Metal Industry (No. 1), the object of which is to prevent former enemies from making attacks on essential businesses and on the possession of essential raw materials when the war comes to an end and when they shall cease to be of the status of enemies.

The Union Insurance Society of Canton Limited (Capital Conversion) (No. 4).

The British Traders Insurance Company Limited (Capital Conversion) (No. 5).

The Bank of Canton Limited (Capital Conversion) (No. 6).

These are private enactments which were passed for converting their silver capital into gold.

The Cheung Chau (Residence) (No. 14)—a measure for reserving the southern portion of the island known as Dumb-bell Island for residence of missionaries and other persons subject to the consent of the Governor in Council being obtained.

The Sugar Convention (No. 19), the object being to relieve both the Imperial Government and the Colonial Administration from their obligations under the Brussels Sugar Convention.

The Rice (No. 20), the object of which is for the acquisition and disposal of Rice by the Hongkong Government, and for validating acts previously done.

The Places of Public Entertainment Regulation (No. 22).—This is a consolidating and amending Ordinance. The principal amendments effected are to render public cinematograph displays subject to permits being granted.

IV.—EDUCATION.

No important changes have taken place in the Education Department during the year under review. The Staff has been depleted by causes due to the war, but the deficiency has been met in part by the appointment of Mistresses resident in the Colony.

The total number of pupils at schools in the Colony, excluding the Police School and the uncontrolled schools in the New Territories, are :—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools	2,881	—	2,881
Military Schools	129	—	129
Excluded Private Schools ..	458	26	484
Grant Schools	1,896	1,787	3,683
Controlled Private Schools ..	3,309	12,344	15,653
Controlled Private Schools, New Territories.	—	1,151	1,151
Technical Institute	471	—	471
Total	9,144	15,308	24,452

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance now housed in a new building presented to the Colony by Sir Ellis Kadoorie. *Kowloon School* and *Victoria School* for children of British parentage have an average attendance of 117. There is also a school for the children of the Peak District with an average attendance of 46. The *Diocesan School and Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French,* and *St. Mary's Convents,* and the *Diocesan Girls' School,* are the most important of the English Grant Schools for girls.

The Hongkong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1919 in Mathematics, Machine Drawing, Architectural Design, and Building Construction ; in Chemistry and Physics ; in Commercial English, Logic, and Political Economy ; and in French, Shorthand, and Book-keeping. Classes in Sanitation (Public Hygiene) are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London. Classes for Men and Women Teachers, both " English " and " Vernacular " are a feature of the Institute.

The Lecturers are recruited from the members of the Medical and Educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped Chemical Laboratory and excellent Physical apparatus.

The University of Hongkong is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

At the end of the year the number of students was 225, 77 of whom were taking the Engineering Course, 75 Medicine, and 73 Arts. While most of the students have studied in Hongkong schools, a number come from Canton, the Coast Ports of China, the Straits Settlements, Siam, and Japan. There are numerous scholarships, including those founded in honour of King Edward VII, the President of the Republic of China and by various Provincial Governments.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,500 per annum; whereas at Hongkong the expenses of the University are $540 per annum for board and tuition, or, including extras, about a minimum of $1,000 per annum.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hongkong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connection it is interesting to note that the Chinese residents of Hongkong subscribed a large sum for levelling a new playing field for cricket, tennis, etc. There is also a University Union building for social purposes.

The University is composed of three Faculties: 1.—Medical, which offers ample facilities for the practice of medicine. The medical laboratories were the gifts of various Hongkong Chinese residents. There is a large staff of instructors in medicine and all the principal medical practitioners in Hongkong give lectures at the University. Clinical work is carried on at the Government Civil and Tung Wah Hospitals. The degrees are recognised for registration in Great Britain by the General Medical Council. 2.—Arts. The establishment of this Faculty was largely due to the munificence of a Chinese gentleman in the Straits Settlements (Mr. Cheung Pat-sze). Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. The course of instruction comprises English and Chinese literature, political and constitutional history, political economy, jurisprudence, international and commercial law, psychology, the school practice of education and history of educational theories. 3.—Engineering. This Faculty is divided into three branches—Civil, Electrical, and Mechanical. The University has an exceptionally large equipment of machinery and apparatus, and has a number of laboratories and workshops. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management. Several graduates have obtained an Honour's Degree awarded by the Examiners of the London University.

The University insists upon all students having a proper knowledge of their own language although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese Professors, both Hanlin graduates, give lectures on the classics and history of China.

V.—PUBLIC WORKS.

The extension of the Central Police Station was practically completed and the extension of the Harbour Office building to accommodate the Imports and Exports Department made good progress. Another storey was added to the Public Works Department Annexe, making the building a 3-storied one, and a similar addition to the European Lunatic Asylum to provide quarters for the warders was practically completed, that portion of the building hitherto occupied as quarters being utilized for the accommodation of patients. The erection of quarters for European Officers on Leighton Hill and the formation of sites for Senior Officers' Quarters on Mount Gough were begun.

A second block of quarters (6 houses) in Kowloon for Subordinate Officers was completed as was also a market at Tai O.

The additional service reservoir and filter beds for the supply of the western section of the City were completed and the laying of a new 18" main from Bowen Road to the Monument, Happy Valley, to improve the supply of water to the eastern section of the City was begun.

The laying of the new 18" supply main from the Kowloon Storage Reservoir to Yaumati was resumed towards the close of the year, a large number of the pipes required having arrived from England.

The widening and improvement of the old road, extending from the Aberdeen Paper Mills to near Little Hongkong Village, where it joins the new road, constructed in 1915, was completed and extensive improvements to the old Pokfulam Road, extending from the University to Aberdeen Docks, were undertaken. The new road from Repulse Bay to a point about half a mile east of Stanley and the widening and improvement of the old road from this point onwards to Taitam Tuk Dam and also from Taitam Gap to Shaukiwan were practically completed. The construction of a new road traversing the hillside in Wong Nei Chong Valley and extending to Bowen Road was well advanced. The widening of the eastern portion of Bowen Road and the construction of a new road from Bowen Road to Wanchai Gap were undertaken. The extension of Lugard Road to High West Gap, where it will join Harlech Road, was also undertaken. The new road from Shanghai Street, Kowloon, to the southern portion of the Taikoktsui Peninsula was completed and another new road from Kowloon City Road to the China Light and Power Company's new Station and the Dock Company's new houses at Tai Wan Bay was begun.

In the New Territories, extensive improvements in that portion of the Tai Po Road between the 9th and 18th milestones were still in progress. The new coastal road from Tsün Wan to Castle Peak Bay was completed, thus rendering available for motor traffic a circular route 57 miles in length.

"Beaconsfield Arcade" was resumed by Government at a cost of $275,000 as was also Rural Building Lot 111, adjoining "Victoria Hospital." The last-mentioned building was resumed in connection with contemplated extensions of the Hospital. A commencement was made with the resumptions required in connection with the widening of Queen's Road East and of that portion of Wanchai Road extending from Queen's Road to Praya East.

Arrangements were made for the resumption of Kowloon Farm Lot No. 11 to enable Coronation Road to be extended northwards and the resumptions required in connection with the road improvement schemes mentioned in last year's Report were continued.

The work of providing scavenging lanes continues, compensation being paid where necessary.

The Shamshuipo Improvement Scheme made good progress, the demolition of old village houses and construction of new houses fronting on good, wide roads being continued.

The new ferry services from various points along the City front to Yaumati, Mongkoktsui and Shamshuipo were inaugurated on the 1st January.

The regrading of the upper portion of the Peak Tramway was completed, the depressors hitherto in use near Barker Road being abolished.

Extensive illuminations of public buildings in connection with the Peace Celebrations were carried out on the nights of the 18th and 19th July.

The total amount expended on Public Works Extraordinary was **$2,235,002.95** and on Annually Recurrent Works **$822,509.87.**

Railway.

The roofing of the passenger platforms at Kowloon remained again in abeyance throughout the year owing to the non-arrival of the steelwork but a consignment of this material has recently arrived from England.

Borings were taken over the site for the new wharf for Kowloon Station yard, and plans and specifications prepared. Tenders were invited and a contract has since been entered into for its construction.

The brickwork shelter at Taipo Station for the accommodation of passengers and goods from Sha U Chong referred to in my last report has been extended as originally intended, and the additional accommodation will be appreciated by passengers arriving and departing by the Sha U Chong Launch during the hot weather and rainy season.

At Shatin Station a siding the full length of the Station Yard has been laid which facilitates the crossing of trains at that station.

The new permanent station building at Shum Chun station for use of the British Section was completed by the Chinese Section and occupied by the British Section during the year.

The through train service was interrupted on the 14th and 15th of July owing to strikes in Canton affecting the Locomotive Department employees of the Chinese Section, and again by the typhoon on August the 22nd.

The Local Traffic has improved under all heads when compared with the previous year. The advance in passenger and goods earnings is due to increased traffic and the sundry receipts are somewhat larger owing to the inclusion of storage charges on rails and fastenings belonging to the Imperial Government.

Through and Joint Sectional Traffic Receipts amounted to $302,327.74 or $36,632.96 in excess of 1918.

The gross receipts for the year were $490,092.77 as against $433,274.43 for 1918, an increase of $56,818.34. The balance after paying working expenses stands at $73,060.63.

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(a.)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the Harbour.

The Civil Hospital contains 166 beds in 20 wards. 3,926 in-patients and 22,446 out-patients were treated during 1919 as against 3,677 and 14,480 respectively in 1918. 218 cases of malarial fever were admitted, as against 211 in 1918 and 361 in 1917. The total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 246 cases as compared with the year 1918. The Maternity Hospital contains 12 beds for Europeans and 4 for Asiatics. 460 confinements occurred during the year as against 377 in 1918. The Victoria Hospital at the Peak contains 41 beds, and during 1919, 206 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 54 cases were treated in 1919, all being infectious.

(b.)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 8 beds in separate wards and the Chinese portion 16 beds. 207 patients of all races were treated during 1919 and there were 8 deaths.

(c.)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. About half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 323 beds in the buildings and 7,002 patients were accommodated during 1919.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 58 beds and during 1919, 4 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hongkong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1919 was

1,395 and the expenditure $27,570·42. The number of labours in the Maternity Hospital was 403. The Government makes a grant of $300 per annum to these Hospitals.

To avoid the complete seclusion from friends and relatives, which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These Hospitals are under the management of the Chinese Public Dispensaries Committee.

The new Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 70 beds and 3,313 patients were accommodated during 1919. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education the Hongkong University is also an Aided Institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government, may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1919 the number of persons admitted was 476 and at the close of year 62 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was $45,363·83 for the year 1919. The Government makes an annual grant of $7,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—VITAL STATISTICS.

(*a*)—POPULATION.

The civil population of the Colony, according to the Census taken on May 20th, 1911, was 456,739, of whom 104,287 reside in the New Territories and in New Kowloon; at the Census taken in 1906 it was 301,967 exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 596,100, but this includes the New Territories; and as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 499,000, of whom 13,600 were Non-Chinese.

The distribution of population estimated to the middle of 1919 was as follows:—

Non-Chinese Civil Community		13,600
Chinese Population—		
City of Victoria (including Peak)	320,080	
Villages of Hongkong	16,520	
Kowloon (including New Kowloon) ..	86,550	
New Territories	97,100	
Population afloat	64,250	
Total Chinese Population		584,500
Total Civil Population		598,100

(*b*)—PUBLIC HEALTH AND SANITATION.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hongkong during 1911, 1912, and 1913 elected to remain in the Colony.

The birth-rate for the year was 3·9 per 1,000 among the Chinese community and 20·6 per 1,000 among the Non-Chinese community, as compared with 3·6 and 22·1 for 1918.

The death-rate for the year was 23·3 per 1,000 among the Chinese community and 19·9 among the Non-Chinese civil community, as compared with 29·6 and 19·5 for 1918.

The number of deaths from malaria (319) shows a decrease on the previous year (398). The deaths of Chinese from this cause in the City of Victoria numbered 101 out of a population of 320,080 or a rate of 0·3 per 1,000 per annum.

The deaths from plague numbered 426 as compared with 251 in 1918.

Small-pox deaths numbered 15, all Chinese.

There were 3,049 deaths from respiratory diseases, as compared with 3,316 in 1918, and 74 of these were among the Non-Chinese community. Pulmonary Tuberculosis claimed 980 Chinese and 26 Non-Chinese victims, whilst other forms of Tuberculosis represent an additional 539 deaths, making a total of 1,545 or 13·2 per cent. of the total deaths among the community.

Beri-beri was responsible for 555 deaths, as compared with 804 during 1918 and 654 in 1917. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that Beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice, when fresh meat or fresh fish cannot be afforded.

A tabular statement of the principal causes of death is appended.

(c.)—CLIMATE.

The principal features of the weather in 1919 were :—

(a) The large departures from normal from month to month in atmospheric pressure, temperature, and wind.

(b) A typhoon, which produced a wind velocity of 60 m.p.h. at 7 p.m. on the 22nd August, and a squall at the rate of 84 m.p.h. at 1h. 17m. p.m. on the 22nd August, although the centre passed about 150 miles to the South-West of Hongkong.

(c) Heat waves from June 15th to July 3rd, July 8th to 25th, July 31st to August 9th, and August 12th to 17th.

Barometric pressure was moderately above normal in February, July and December, and considerably above in September. It was considerably below in June and August. In the latter month it was 29·530 ins. or the lowest on record except in 1911 when it was 29·521ins. The mean pressure for the year at station level was 29·842 ins. as against 29·847 ins. in 1918, and 29·844 ins. for the past 36 years. The highest pressure was 30·398 ins. on February 4th as against 30·391 ins. in 1918 and 30·509 ins. for the past 36 years. The lowest pressure was 29·287 ins. on August 26th as against 29·108 ins. in 1918 and 28·735 ins. for the past 36 years.

The temperature of the air was considerably above normal in March and April, and moderately above in June. It was moderately below in February, October, November, and December. The mean temperature for the year was 72°·2 as against 71°·2 in 1918 and 71°·8 for the past 36 years. The highest temperature was 92°·2 on August 1st as against 91°·2 in 1918 and 97°·0 for the past 36 years. The lowest temperature was 39°·4 on February 4th as against 42°·1 in 1918 and 32°·0 for the past 36 years.

The rainfall was moderately above normal in July and August, and moderately below normal in May, June, and September. The total for the year was 76·140 ins. as against 101·605 ins. in 1918, and 83·620 ins. for the past 36 years. The greatest fall in one civil day was 4·795 ins. on July 5th and the greatest in one hour was 1·350 ins. between 5 a.m. and 6 a.m. on October 1st.

The wind velocity was considerably below normal from February to June and from September to December. It was moderately above in July and August. The mean velocity for the year was 11·4 m.p.h. as against 11·6 m.p.h. in 1918 and 12·7 m.p.h. for the past 36 years. The maximum velocity for one hour as recorded by the Beckley Anemograph was 60 miles at 7 p.m. on August 22nd as against 63 miles in 1918 and 108 for the past 35 years. The maximum squall velocity, as recorded by the Dines Baxendell Anemograph, was at the rate of 84 m.p.h. at 1h. 17m. p.m. on August 22nd as against 94 m.p.h. in 1918 and 105 m.p.h. for the past 9 years.

The climate of Hongkong is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is usually from 3° to 6° lower than at the Observatory, Kowloon. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the SW monsoon, being sheltered by steep hills from SE to SW. In winter it is exposed to the NE monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the South-west side of the Island is protected from the NE monsoon in winter and enjoys the benefit of the SW monsoon in summer.

X.—POSTAL AND TELEGRAPH SERVICES.

The total Revenue from the Postal Service in 1919 amounted to $450,056·75, being $22,923·87 more than that collected in 1918. The net expenditure amounted to $103,931·64, being less than that of 1918 by $52,176·05. The balance of revenue over expenditure amounted to $346,125·11.

The revenue collected in 1919 from radio-telegrams amounted to $10,350·03, being $13,661·22 less than that collected in 1918. Advices of vessels signalled at the Lighthouses yielded $470·40 and semaphore messages $15·40, making a total of $10,835·83 for the Telegraph Service. The expenditure amounted to $34,150·81. The number of radio-telegrams forwarded during the year was 1,116 consisting of 15,577 words, and 2,825 received consisting of 37,121 words.

A. G. M. FLETCHER,
Colonial Secretary.

28th November, 1920.

DEATHS REGISTERED IN THE COLONY OF HONGKONG DURING 1919.

	Paratyphoid Fever.	Influenza.	Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cerebro-spinal Meningitis.	Dysentery.	Plague.	Malarial Fever.	Cholera.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Community—																																
Civil	—	23	—	—	5	—	4	6	1	6	4	—	2	—	—	19	7	9	10	4	7	5	11	48	26	11	4	2	10	71	4	299
Chinese Community—																																
Victoria and Peak ..	1	182	10	5	56	18	157	103	379	101	24	5	101	193	9	104	391	174	431	312	27	144	59	1,475	522	553	25	15	137	1,540	196	7,449
Harbour	—	43	—	1	7	5	9	24	9	65	10	3	4	1	—	39	3	114	22	77	5	3	15	90	141	39	7	5	18	148	80	987
Kowloon	1	193	3	—	17	10	23	42	29	96	4	5	15	13	1	80	25	185	73	113	14	13	35	373	276	180	11	9	55	446	166	2,506
Shaukiwan	—	1	2	—	—	2	7	2	7	12	—	2	2	1	—	13	6	25	3	43	—	1	3	55	14	18	—	—	6	40	10	275
Aberdeen	—	7	—	—	—	1	4	1	1	28	—	—	1	—	—	1	—	8	—	6	—	2	1	2	22	4	—	—	1	6	4	100
Stanley	—	—	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—	7	—	—	—	—	—	—	5	—	—	—	—	7	—	31
Total, 1919	2	449	15	6	85	36	204	178	426	319	42	15	126	208	10	256	432	522	539	555	53	168	124	2,043	1,006	805	47	31	227	2,258	460	11,647
" 1918.. ..	—	405	26	26	179	98	968	225	251	398	—	15	110	446	21	*782	651	446	475	804	61	223	154	2,251	1,065	820	47	22	285	1,930	530	13,714

* Accident at the Race Course—522 unknown persons of unknown nationality.

COLONIAL REPORTS, ETC.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1037	St. Vincent	1918–1919
1038	Gilbert and Ellice Islands	,,
1039	St. Helena	1919
1040	Weihaiwei	,,
1041	Nyasaland	1918–1919
1042	Turks and Caicos Islands	1919
1043	Grenada	,,
1044	Bermuda	,,
1045	Basutoland	1919–1920
1046	Cyprus	,,
1047	Fiji	1919
1048	Straits Settlements	,,
1049	Ceylon	,,
1050	Gibraltar	1919–1920
1051	Somaliland	,,
1052	Zanzibar	1919
1053	Gambia	,,
1054	Uganda	1918–1919
1055	Malta	,,
1056	Swaziland	1919–1920
1057	Bechuanaland Protectorate	,,
1058	Ashanti	1919
1059	Bahamas	1919–1920
1060	British Solomon Islands	,,
1061	Seychelles	,,
1062	Mauritius	,,
1063	St. Vincent	April-December 1919
1064	Nigeria	1919
1065	Sierra Leone	,,
1066	Gold Coast	,,
1067	Jamaica	1919–1920
1068	British Guiana	1919
1069	Trinidad and Tobago	,,
1070	British Honduras	,,

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.

COLONIAL REPORTS—ANNUAL.

No. 1108.

HONGKONG.

REPORT FOR 1920.

(ABRIDGED.)

(For Report for 1919 see No. 1071.)

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No. 1108.

HONGKONG.

ANNUAL GENERAL REPORT FOR 1920.

PREFACE.

Hongkong is situated off the south-eastern coast of China between 22° 9′ and 22° 17′ N. latitude and 114° 5′ and 114° 18′ E. longitude. The island is an irregular ridge, stretching nearly east and west; its peaks rising to the height of nearly 2,000 feet above the sea level. Its length is about 11 miles, its breadth from 2 to 5 miles, its area about 32 square miles.

In 1898 an extension of Hongkong territory was agreed to by an area adjacent to British Kowloon, including Mirs Bay and Deep Bay, being leased for 99 years.

The Colony, then a desolate island, sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841; the cession was confirmed by the Treaty of Nankin in August, 1842; and the charter bears date 5th April, 1843. The additions subsequently obtained on the mainland have been noted above.

Trade increased with the opening up of China to foreign trade. Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and the trade was greatly increased by the opening of the Suez Canal.

The city is the depôt for an incessant flow of Chinese emigration and immigration; excluding China ports.

GENERAL OBSERVATIONS.

During the early part of the year trade was brisk and large profits were realised all round, owing principally to the relatively high sterling rates at which imports were laid down. A serious slump, however, followed later in the year. As a result of the prosperity of trade in 1919, many new firms had been established, especially in the piece goods business. By these enormous orders were placed in England and America during 1919. Owing chiefly to labour conditions, deliveries were delayed, with the result that many orders placed early in 1919 were not delivered until the Autumn of 1920. The result was an overstocked market, which, with a decline in prices, caused by the heavy fall in the price of cotton, and a drop of 50 per cent. in the value of the dollar compared with the rates prevailing when the orders were placed in 1919, led to a very serious financial position.

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The rice business of the colony also passed through a severe crisis during the year, due to a great extent to the failure of certain San Francisco buyers to honour their contracts, on the ground that buyers in Cuba, as a result of a considerable amount of overbuying, were repudiating their contracts.

The trade position was further embarrassed by the unrest in the neighbouring provinces of Kwangtung and Kwangsi. The lawlessness which has, unfortunately, so long been a feature of the situation, and which during 1919 was chiefly due to the presence throughout the province of the unpaid and uncontrolled soldiery of both factions, continued throughout the year to the grave detriment of trade in the two provinces.

During the early portion of the year serious inconvenience was caused to business firms by the irregular arrivals of English mails. This was due to failure on several occasions to make the steamer connection at Nagapatam. The position was remedied later in the year by the provision of more fast vessels on the London-Bombay service and by an arrangement with the Straits Settlements Postal Administration for Hongkong letter mails to be sent by rail from Penang to Singapore.

The year was marked by a number of strikes among the workmen in various trades in the Colony. The most serious was the Fitters' strike in April, which was, however, amicably settled within 16 days. Other strikes were those of the Blackwood Furniture makers and the Chinese tailors' assistants.

A new valuation of the Colony was made during the year, by which the rateable value was increased from $17,408,959 to $18,696,660, an addition of 7·40 per cent.

I.—FINANCES.

The revenue for the year amounted to $14,689,672 being $625,128 less than the estimate and $1,835,303 less than the revenue for the previous year.

Compared with the returns for 1919 there were increases under every head with the exception of Licences and Interest.

The expenditure amounted to a total of $14,489,594 inclusive of a sum of $2,555,878 spent on Public Works Extraordinary.

The total expenditure brought to account amounted to $14,489,594 being $396,879 less than the estimate, and $3,426,331 less than the expenditure in 1919. Compared with the estimates there were increases under 15 heads as against 9 heads where there were decreases. The excess amounting to $742,979 under Miscellaneous Services was due to the grant of $1,000,000 to Kongkong University and $378,104 in the case of the Police and Prison Departments due to increase of staff and revision of salaries. Military expenditure was less than the estimate by $168,752 on account of the revenue for 1919 having been over-estimated. The item Charitable Services was responsible for an excess over the estimates of $104,339 due to a grant of $100,000 to the North China Famine Relief Fund. Decreases were mostly due to the sterling value of the dollar being higher than that on which the estimates were based, and to certain Public Works for which provision had been made not being proceeded with.

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The balance to the credit on the year's working was **$200,078** and the assets and liabilities account showed on the 31st December a credit balance of $4,490,266.

The following is a statement of the revenue and expenditure of the Colony for the five years 1916-1920:—

	Revenue.	*Expenditure.*
	$	$
1916	13,833,387	11,079,915
1917	15,058,105	14,090,828
1918	18,665,248	16,252,172
1919	16,524,975	17,915,925
1920	14,689,672	14,489,594

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £338,687. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000 and there are the sums of $438,203 and £84,751 at credit of the Sinking Fund.

During the period 1911-1920 the assessment of the whole Colony has risen from $11,161,390 to $17,408,959, an increase in rateable value of $6,247,569.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows :—

Hongkong & Shanghai Banking Corporation, ...	$26,397,580
Chartered Bank of India, Australia & China, ...	10,061,863
Mercantile Bank of India, Limited, ...	1,000,009
	$37,459,452

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins less those demonetized now amounts to $20,764,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $23,235,459 has thus been redeemed. The total issue by the Hongkong Government was of the face value of about $44,000,000.

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a*.)—SHIPPING.

The total of the Shipping entering and clearing at Ports in the Colony during the year 1920 amounted to 683,497 vessels of 40,122,527 tons, which, compared with the figures for 1919, shows an increase of 34,329 vessels, with an increase of 4,507,358 tons.

Of the above, 43,364 vessels of 24,194,022 tons were engaged in Foreign Trade, as compared with 41,985 vessels of 21,072,129 tons in 1919, and were distributed as follows :—

	1919. Numbers. %	1920. Numbers. %	1919. Tonnage. %	1920. Tonnage %
British Ocean-going Ships ..	9·2	9·6	32·4	34·5
Foreign Ocean-going Ships ..	12·6	12·5	36·2	38·1
British River Steamers ..	13·2	11·9	15·4	13·5
Foreign River Steamers ..	3·8	4·0	2·9	2·4
Steam Launches (under 60 tons)	11·9	11·6	0·8	0·7
Trading Junks	49·3	50·4	12·3	10·8
	100·0	100·0	100·0	100·0

N.B.—The movements of Fishing Junks are not included in this Table.

Of vessels of European construction, 4,807 Ocean Steamers, 3,441 River Steamers, and 2,498 Steamships not exceeding 60 tons entered during the year, giving a daily average of 29·4 ships, as compared with 29·1 in 1919 and 27·3 in 1918.

The average tonnage of individual Ocean Vessels entering the Port has increased from 1,583·1 tons to 1,831·0 tons, that of British ships has increased from 1,722·6 tons to 2,002·3 tons, while that of Foreign ships has also increased from 1,449·2 tons to 1,699·2 tons.

The average tonnage of individual River Steamers entering during the year has decreased from 448·8 tons to 425·8 tons.

That of British River Steamers has decreased from 529·8 tons to 516·1 tons, and that of Foreign River Steamers has decreased from 336·6 tons to 324·3 tons.

There was an increase in British Ocean-going shipping of 308 ships or 7·9 per cent. and an increase of 1,509,060 tons or 22·0 per cent.

This is due to vessels which were under Government control being released, and to newly-built ships and Enemy ships which were sold or transferred to British ship-owners being put on the Eastern trade.

British River Steamers have decreased by 364 ships with an increase in tonnage of 3,204 tons or 6·6 per cent. in numbers and 0·1 per cent. in tonnage.

The decrease in ships is due to the s.s. " Chuen Chow " being laid up during the latter part of the year and to the s.s. " Hoi Ming " being transferred to the Chinese flag. The decrease in tonnage is due to the alteration in tonnage of the s.s. " Fatshan," " Kinshan " and " Heungshan."

Foreign Ocean-going vessels have increased by 144 ships with an increase of 1,597,729 tons or 2·7 per cent. in numbers and 20·9 per cent. in tonnage. This is due to the large amount of American vessels frequenting the port. Enemy vessels being sold or transferred to Foreign ship-owners and also to several newly-built Chinese and Norwegian vessels being put on the Coastal trade.

Foreign River Steamers show an increase of 142 ships with a decrease in tonnage of 14,409 tons or 8·9 per cent. in numbers and 2·4 per cent. in tonnage. This is due to the s.s. "Hoi Ming," formerly British-owned, being transferred to the Chinese flag being now named the s.s. "Tung Sing," also to two newly-built steamers, the s.s. "Leung Kwong" and "Kong Chow," being put on the West River run.

The decrease in tonnage is due to the s.s. "Tin Sing" being seized by the Cantonese Government and a number of Chinese vessels being unable to run frequently owing to Hostilities in the West River waters.

In steamships not exceeding 60 tons employed in Foreign Trade, there is a decrease of 7 ships with an increase in tonnage of 5,559 tons or 0·1 per cent. in numbers and 3·4 per cent. in tonnage. The increase is most prominent in vessels trading to Macao due to the Steam-launches "Hau Hoi 1" and "On Chai" running regularly for the best part of the year.

Junks in Foreign Trade show an increase of 1,156 vessels and an increase of 20,750 tons or 5·6 per cent. in numbers and 0·8 per cent. in tonnage. This is due to more junks of smaller tonnage visiting this Port.

In Local Trade, (*i.e.*, between places within the waters of the Colony) there is an increase in Steam-launches of 32,880 and an increase of 1,270,246 tons or 5·6 per cent. in numbers and 9·5 per cent. in tonnage.

This is due to the decreasing cost of coal; Launches which had been laid up, were again employed.

Junks in Local Trade show an increase of 70 vessels and an increase of 115,219 tons or 0·3 per cent. in numbers and 9·8 per cent. in tonnage. This is due to a great number of junks being employed on reclamation work.

TRADE.

Detailed and accurate statistics of imports and exports are now collected and published by the Imports and Exports Department.

IMPORTS.

The number and tonnage of ships of European type construction carrying cargo for import and transit, compared with 1919, were as follows:—

	1919.		1920.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers	4,571	7,237,333	4,807	8,801,620	236	1,564,287	—	—
River Steamers ..	3,550	1,917,236	3,441	1,918,064	—	828	109	—
Sailing Vessels ..	4	5,356	—	—	—	—	4	5,356
Total	8,125	9,159,925	8,248	10,719,684	236	1,565,115	113	5,356
			Net Increase ..		123	1,559,759	—	—

EXPORTS.

The corresponding figures relating to ships of European type of construction shipping bunker coal are as follows :—

	1919.		1920.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers	4,560	7,219,802	4,784	8,773,016	224	1,553,214	—	—
River Steamers ..	3,551	1,928,221	3,438	1,916,191	—	—	13	12,030
Sailing Vessels ..	4	5,356	—	—	—	—	4	5,356
Total ..	8,115	9,153,379	8,115	10,689,207	224	1,553,214	17	17,386
			Net Increase ..		207	1,535,828	—	—

	1919.		1920.		Increase.		Decrease.	
	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.
Steamers ..	4,560	850,386	4,784	464,707	224	—	—	385,679
River Steamers ..	3,551	53,439	3,438	63,486	—	10,047	13	—
Total ..	8,111	903,825	8,222	528,193	224	10,047	13	385,679
			Net Increase ..		211	—	—	375,632

The River Trade, compared with 1919, is shown in the following Table :—

Year.	Imports.	Exports.	Passengers.
	Tons.	Tons.	
1919	323,536	328,369	1,373,947
1920	345,514	317,512	1,686,306

The following Table shows the Junk Trade of the Colony for the years 1919 and 1920 :—

Imported 569,888 tons as under :—

	Tons.
Cattle, 1,914 head	224
Swine, 18,397 head	1,082
General	547,747
Earth and Stones	20,835
Total	569,888

Exported 709,761 tons as under :—

	Tons.
Kerosine, 1,128,477 cases	40,604
Rice and Padi	59,769
Coal	236,799
General	372,589
Total	709,761

OPIUM.

Five hundred and twelve and a half (512½) chests of Persian Opium and 112 chests of Turkish Opium were imported during the year; 2 chests of Persian Opium were exported to London, 510½ chests to Formosa, and 109 chests of Turkish Opium to Formosa; 3 chests used for Medical purposes by A. S. Watson & Co., Ltd., of Hongkong.

Nine hundred and one (901) chests of uncertificated Indian Opium were imported; 576 chests for the Macao Opium Farmer, of which 226 chests exported by Tai Seng, the Old Farmer, and 350 chests by Lee Sing, the New Farmer, from July to December, 1920; 100 chests for Kobe; and the remaining 225 chests for the Government Opium Monopoly.

The table below shows the total imports and exports since 1912 :—

	1920. Chests.	1919. Chests.	1918. Chests.	1917. Chests.	1916. Chests.	1915. Chests.	1914. Chests.	1913. Chests.	1912. Chests.
Stock in hand on 1st January.	329	253	799½	977½	1,303½	2,256½	4,580½	5,560	7,587
Imported during the year.	1,525½	1,290	1,259	1,657	1,706	1,873	3,059½	9,108½	12,361¼
Total ..	1,854½	1,543	2,058½	2,634½	3,009½	4,129½	7,640	14,668½	19,948¼
Boiled by Opium Farmer.	—	—	—	—	—	—	36	667	1,113
Boiled by Government.	225	377	539	352	365	340	413	—	—
Spurious Opium destroyed.	—	—	1	13	—	17	19	—	2
Used locally ..	3	—	—	—	—	—	—	—	—
Missing or stolen	—	—	—	1	—	—	4	2	9
Exported during the year.	1,297½	837	1,265½	1,469	1,667	2,469	4,911½	9,419	13,264¼
Total ..	1,525½	1,214	1,805½	1,835	2,032	2,826	5,383½	10,088	14,388¼
Stock remaining on 31st December	329	329	253	799½	977½	1,303½	2,256½	4,580½	5,560

Emigration and Immigration.

One hundred and five thousand two hundred and fifty-eight (105,258) emigrants left Hongkong for various places during the year 1020, (59,969 in 1919). Of these, 70,234 were carried in British ships and 35,024 in Foreign ships.

One hundred and twenty-two thousand four hundred and thirty-eight (122,438) returning emigrants were reported to have been brought to Hongkong from the several places to which they had emigrated either from this Colony or from Coast Ports, as against 136,020 in 1919. Of these, 87,766 arrived in British ships and 34,672 in Foreign ships.

(b).—INDUSTRIES.

(i).—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the year :—

Hongkong and Whampoa Dock Co., Ltd.	5	vessels of	37,935	gross tons and	11,500	I.H.P.
Taikoo Dockyard and Eng. Co., Ltd.	5	,,	13,660	,, ,,	9,700	,,
W. S. Bailey & Co., Ltd.	22	,,	1,197	,, ,,	1,336	,,
Kwong Hip Lung Co., Ltd.	1	,,	50	,, ,,	—	,,
Kwong Fat & Co.	1	,,	356	,, ,,	30	,,
Kwong Sang Loong	1	,,	1,374	,, ,,	85	,,
Hung Fat	2	,,	7	,, ,,	48	,,
A King	25	,,	77	,, ,,	276	,,
Total	62	vessels of	54,656	gross tons and	22,975	I.H.P.

Sugar Refineries.--1920 was a phenomenal year. Prices of Raw Sugar fluctuated but very little during the first few months of the year, but in April news was received of a very large reduction in the estimate of the Cuban Crop, which caused a rapid rise in prices the world over, raws in Java rising from 40 to 75 Guilders per picul between April and May, whilst Cubans which were quoted at about 9 cents previous to the revised estimate reached over 21 cents. After large quantities of Sugar had passed hands at these exceptional rates a slump took place, which was largely brought about by the over-anxiety of America to fill her shortages and prices fell away equally rapidly, the actual difference between the highest and lowest prices touched between the middle of May and December being 61 Guilders a picul.

The Refined markets follow the upward trend of prices to a certain extent in April and May and satisfactory sales were made to India, America and Europe, both for prompt and forward deliveries.

Demand from China was consistent throughout the year but for the first six months prices were disappointing.

Yarn.—The Yarn trade during 1920 was very unsatisfactory and resulted in severe losses to native dealers, some of the smaller ones being forced to close down.

Trade was brisk until March but the Japanese financial crisis and the raising of the embargo on Japanese Yarn exports brought down prices with a run and so far there has not been any reasonable reaction from this collapse.

The total quantity of Indian Yarn imported into the Colony during the Year amounted to 120,000 bales and 17,000 bales were brought forward from the previous year.

Clearances totalled 112,000 bales, leaving a carry-over of 25,000 bales.

Cotton.—Middling American Cotton in Liverpool was quoted in January at 28·50*d.* for spot, it declined to 27·38*d.* at the end of January, but then rose until on the 18th February it reached the phenomenal height of 31·16*d.* It has since gradually fallen away, with an occasional setback, to 8·65*d.* at the end of the year (lowest since August, 1916).

The year opened with Exchange at 4/11½ T/T. It advanced rapidly and reached its topmost height of 6/2 T/T. on 10th February. It then reacted and declined steadily with one or two small setbacks until the close of the year, when T/Ts. on London were quoted at 3/2.

Rope-Making, 1920.—The demand for Manila Cordage was not so good and the total turnover showed a falling-off from that of the previous twelve months. The high rate of exchange which ruled throughout the year adversely affected our business with gold standard countries to a large extent.

Cement Manufacture.—Although exchange ruled very high throughout the year, there developed a very good demand from all markets and prices rose all round. The turnover was a record one.

(ii.)—*Under Chinese Management.*

Tin.—During the year under review the volume of business transacted was large (about twice that of 1919) but, although the sterling price was as high as £421 10*s.* in the early part of the year and as low as £205 10*s.* towards the close, there was little variation in local prices over the whole year owing entirely to the vagaries in exchange.

Imports and Exports for the year, in round figures, were :—

Imports.			*Exports.*		
From Straits	300	Tons.	To United Kingdom	3,600	Tons.
,, China	100	,,	,, United States	5,300	,,
,, Neth. Indies	300	,,	,, Sundry Ports	300	,,
,, Yunnan	10,100	,,	,, China	2,900	,,
,, Kwangsi	400	,,	,, Japan	1,500	,,
	11,200	Tons.		13,600	Tons.

Rattan and Fibre Furniture.—In sympathy with practically all lines, 1920 was a bad year for these commodities. The value of Rattan and Fibre Furniture exported was about half of 1919. Seagrass declined to about the same percentage whilst Rattan core was worse, about 25 per cent. of 1919.

Native Tobacco.—Only a very small business was transacted during 1920, with declining prices.

Leather and Hides.—These showed a considerable decline ; most dealers have lost money and are holding fairly large stocks.

Ginger and Preserves.—This trade was one of the worst during 1920 ; exports decreased about 70 per cent. in comparison with 1919.

Soy.—Only a small business was done and in small lots to regular centres.

Paper.—Those interested in this line and who had stocks had a good year as prices rose about 25 per cent. in the beginning of this year, due to non-arrival of many orders. During the latter part of the year the market was plentifully stocked at lower prices, but, owing to exchange, local prices remained at the same high level with very little business.

Vermilion.—Very little done and much less than 1919.

Lard.—The anticipated demand for 1920 did not materialise and business was bad—a great falling-off compared with 1919, although, at one time, the trade looked like reviving owing to heavy purchase from a new source.

Tinned Goods.—Trade was not as good as 1919.

Shamshoo and Vinegar.—The same remarks as above apply.

Knitted Vests and Socks.—These industries are progressing and with the addition of improved machinery will, in time, practically control the Eastern trade. A good business, considering the general slackness, was done; practically the same as in 1919 but the value for 1920 was about $2,500,000 as compared with $3,000,000 in 1919, the shrinkage being due to lower values.

(*c.*)—Fisheries.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—Land Grants and General Value of Land.

The net amount of premiun received from sales of Crown Land and Pier Rights for the year 1920 was $322,615·02 an increase of $72,255 on the preceding year and $89,070 more than the average for the past five years.

The principal items were $37,500 for Kowloon Inland Lot No. 1402, $33,507 for extensions to Kowloon Marine Lots Nos. 26 and 28, $34,700 for Inland Lot No. 2302 and $21,000 for Inland Lot No. 2278.

In the New Territories the net amount received for premium on sales of land was $230,449·05 the principal item being $150,660 for New Kowloon Marine Lots Nos. 6 and 7. New Kowloon Marine Lot No. 8 was sold for $51,418 so that the figure for land sales in this part of the Colony was abnormal being over $218,000 in excess of the preceding year.

The number of Deeds registered in the Land Office was 3,405 and exceeded the total of any previous year by 384, the aggregate consideration set out in deeds registered was $67,493,394 as against $60,152,735·07 in 1919.

The Government resumed a large number of small areas for street improvements in the course of the year and Farm Lots Nos. 8, 22, 40 and 50 were surrendered, new areas being sold in lieu thereof for building purposes.

Development at Shamshuipo continues, sixty-one new lots were placed on the Rent Rolls in the course of the year.

The total area of land sold or granted during the year was 277*a*. 0*r*. $6\frac{9}{20}$*p*. of which 207*a*. 3*r*. $20\frac{1}{5}$*p*. were dealt with by the District Officers. The total area of land resumed was 75*a*. 2*r*. $30\frac{3}{20}$*p*.

In the New Territories the demand for land was steady.

III.—LEGISLATION.

Seventeen (17) Ordinances were passed during 1920 of which seven were amendments of previous Ordinances.

The most important of these Ordinances were—

The Treaty of Peace Order, 1919 (No. 3).
The Treaty of Peace (Amendment) Order, 1920 (No. 15).
The Treaty of Peace (Austria) Order 1920 (No. 16).
The Treaty of Peace (Bulgaria) Order, 1920 (No. 17).

These Ordinances were for the purpose of modifying certain provisions of the various Orders in Council, and of adapting the provisions of the said Orders to the circumstances of the Colony.

The Foreign Corporations (Execution of Instruments under Seal) (No. 1)—a measure for validating all instruments which have been executed, or will be executed by the agent of a foreign corporation whose authority is not required to be under seal according to the laws of the State under which such corporation is incorporated.

The Volunteer (No. 2)—the object being to provide for the establishment of a new Volunteer Force to take the place of the existing Volunteer Corps and Volunteer Reserve.

The Societies (No. 8)—The object of this Ordinance was to repeal the Societies Ordinance, 1911, which had not proved satisfactory in practice, and to substitute a simpler system based on the Triad and Unlawful Societies Ordinance, 1887.

The Plants (No. 11)—the object of which is to enable the Governor in Council to make regulations for protecting trees, shrubs, and other plants from destruction, injury or removal. Its primary object was to protect the plant known as "Azalea."

The Criminal Intimidation (No. 13)—This enactment was passed with a view to restrain a person from using threats of violence towards another person.

IV.—EDUCATION.

No important changes have taken place in the Education Department during the year under review. The Staff has been depleted by causes due to the War, but the deficiency has been met in part by the appointment of Mistresses resident in the Colony.

The total number of pupils at schools in the Colony, excluding the Police School and the uncontrolled schools in the New Territories, are :—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools	2,929	—	2,929
Military Schools	145	—	145
Excluded Private Schools ..	121	26	147
Grant Schools	2,330	3,409	5,739
Controlled Private Schools ..	3,679	13,719	17,398
Controlled Private Schools, New Territories.	—	1,761	1,761
Technical Institute	588	—	588
Total	9,792	18,915	28,707

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian*

School of growing importance now housed in a new building presented to the Colony by Sir Ellis Kadoorie. *Kowloon School* and *Victoria School* for children of British parentage have an average attendance of 124. There is also a school for the children of the Peak District with an average attendance of 49. The *Diocesan School and Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French,* and *St. Mary's Convents,* and the *Diocesan Girls' School,* are the most important of the English Grant Schools for girls.

The Hongkong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1920 in Mathematics, Machine Drawing, Architectural Design, and Building Construction; in Chemistry and Physics; in Commercial English, Logic, and Political Economy; and in French, Shorthand, and Book-keeping. Classes in Sanitation (Public Hygiene) are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London. Classes for Men and Women Teachers, both "English" and "Vernacular" are a feature of the Institute.

The Lecturers are recruited from the members of the Medical and Educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped Chemical Laboratory and excellent Physical apparatus.

The University of Hongkong is an institution that arose from the joint enterprise of British and Chinese subscribers. It was founded with funds representing about equal proportions of Chinese and British money.

At the end of the year the number of students was 225, 77 of whom were taking the Engineering Course, 75 Medicine, and 73 Arts. While most of the students have studied in Hongkong schools, a number come from Canton, the Coast Ports of China, the Straits Settlements, Siam, and Japan. There are numerous scholarships, including those founded in honour of King Edward VII, the President of the Republic of China, and by various Provincial Governments.

The idea of the University is to provide, close to China, education for Chinese similar to that given in the British Universities, but at a much cheaper cost; for if a Chinese goes abroad to be educated he has to pay, besides travelling expenses, some $2,500 per annum; whereas at Hongkong the expenses of the University are $540 per annum for board and tuition, or, including extras, about a minimum of $1,000 per annum.

The founders of the University took into consideration the fact that Chinese students being educated abroad have usually to make their own arrangements for board and lodging. Consequently sometimes they contract irregular habits. All students educated at the Hongkong University are required to become boarders, and thus their whole lives are under supervision whilst they are there. Ample provision is made for indoor and outdoor recreation, and in this connection it is interesting to note that the Chinese residents of Hongkong subscribed a large sum for levelling a new playing field for cricket, tennis, etc. There is also a University Union building for social purposes.

The University is composed of three Faculties: 1.—Medical, which offers ample facilities for the practice of medicine. The medical laboratories were the gifts of various Hongkong Chinese residents. There is a large staff of instructors in medicine and all the principal medical practitioners in Hongkong give lectures at the University. Clinical work is carried on at the Government Civil and Tung Wah Hospitals. The degrees are recognised for registration in Great Britain by the General Medical Council. 2.—Arts. The establishment of this Faculty was largely due to the munificence of a Chinese gentleman in the Straits Settlements (Mr. Cheung Pat-sze.) Its special object is to provide training suitable to those who desire to enter the public service or the higher branches of mercantile life. The course of instruction comprises English and Chinese literature. political and constitutional history, political economy, jurisprudence. international and commercial law, psychology, the school practice of education and history of educational theories. 3.—Engineering. This Faculty is divided into three branches—Civil, Electrical, and Mechanical. The University has an exceptionally large equipment of machinery and apparatus, and has a number of laboratories and workshops. There is practically no place in China where students have such an opportunity of seeing all kinds of machinery in actual working and of learning their practical management. Several graduates have obtained an Honour's Degree awarded by the Examiners of the London University.

The University insists upon all students having a proper knowledge of their own language although instruction at the University is carried out in English. Students are required to pass an examination in written Chinese before entering, and two Chinese Professors, both Hanlin graduates, give lectures on the classics and history of China.

V.—PUBLIC WORKS.

The Central Police Station and the Harbour Office extensions were completed, and a commencement was made with the erection of two large blocks of Quarters for Scavenging Coolies, one block being situated in Belcher's Street and the other in Taipingshan.

Good progress was made with two blocks of Quarters for Government Servants at Happy Valley each containing six houses. A block of flats in Caine Road for married Police Officers, and three houses at the Peak designed for Quarters for Senior Officers were all well in hand at the close of the year.

A start was also made with the erection of two other houses at the Peak for the Puisne Judge and Mr. John Duncan respectively. The former is being built under arrangement with Messrs. Denison, Ram & Gibbs, the latter being designed and constructed by Mr. Duncan personally.

In addition to these, two blocks of four houses each were under construction at Leighton Hill, and a scheme was approved for the erection of five detached, and one block of semi-detached houses, and a block containing six flats on the area known as the " Homestead Site," at the Peak; both of these works were placed in the hands of local firms of architects, the Leighton Hill houses being carried out by Messrs. Denison, Ram & Gibbs, whilst the work at the "Homestead Site" was entrusted to Messrs. Little, Adams & Wood.

Plans were also prepared by the Public Works Department for a large block of buildings on the area opposite the Central Market, comprising a new Fire Station, Offices for the Imports and Exports and Medical Departments and the Secretariat for Chinese Affairs. In Kowloon, a Fire Station was completed in Salisbury Road, and other minor works were in progress.

With regard to communications in Hongkong, the following roads were completed :—Road from Gap Road to Bowen Road, and from Bowen Road to Wanchai Gap, also the Findlay Road extension.

Works commenced and in progress during the year were :—the first section of the road from Taitam Gap to Shek O, the road from Wanchai Gap to Magazine Gap, the road connecting Pokfulam and Victoria Roads contouring the Western side of Mount Davis, and the extension of Lugard Road, whilst extensive widening improvements were carried out to the Shaukiwan Road.

In Kowloon, considerable progress was made with the extension of Coronation Road, also with the Road connecting Mongkoktsui with Kowloon City ; and the road from the Kowloon City Road to the China Light & Power Company's new Station and the Hongkong & Whampoa Dock Company's new houses at Tai Wan Bay was completed.

Advantage was taken of the large amount of filling obtained from the extension of the Coronation Road referred to above to level up portions of the low-lying areas east of Shanghai Street near this point.

In the New Territories, the extensive improvements to that portion of the Taipo Road between the 9th and 18th milestones were nearly completed, whilst further improvements to this road between the 3rd and 5th milestones were begun. A considerable portion of the road between Castle Peak and Fanling was macadamized, the surface being finished with asphaltum.

Progress was made with the necessary resumptions of property required for widening Wanchai Road and Queen's Road East, and a considerable number of houses were, either by partial or complete re-erection, set back to the new alignment.

A commencement was made with a further section of the Shamshuipo Reclamation Scheme, and extensive building activity prevailed on the portion already reclaimed. The Kai Tak Land Investment Company made substantial progress with the reclamation of an extensive area of foreshore in Kowloon City, as did also the Standard Oil Company of New York in extending their reclamation at Laichikok.

Upwards of 4,700 lineal feet of nullah were trained on the Island and mainland.

Plans were prepared for the construction of Filter Beds at the Eastern end of Bowen Road, and a portion of the 18 in. main, which will eventually connect these Filter Beds with the City, was laid from Wong Nei Chong Village to Morrison Gap Road. Plans were also prepared for additional Filter Beds at the Kowloon Water Works.

The laying of the new 18 in. supply main from the Kowloon Filter Beds to Yaumati was practically completed, and a general improvement was made to the distribution system of Kowloon by replacing the existing subsidiary mains with larger ones.

Small supply systems for Repulse Bay and Fanling Districts were started.

A reinforced concrete pier opposite Queen Victoria Street for the Ferry Service was in progress, being the first of a series it is proposed to erect for the improvement of the Ferry service of the Colony.

The Hongkong & Whampoa Dock Company, Ltd., made considerable extensions to their Dockyard at Hunghom by laying down additional slipways, extending workshops, and providing houses for their staff.

The total amount expended on Public Works Extraordinary was $2,555,877·69, and on annually recurrent works $825,493·70.

Railway.

The steelwork and roofing material for the platform awnings at Kowloon arrived early in the year, when a Contract for the erection, including drainage, was entered into, and the work is now completed. The lighting arrangements for the platforms were carried out by the Public Works Department. The platform awnings are of steel frame construction, roofed with corrugated asbestos cement sheeting, and provide a very necessary shelter from the sun and rain to a considerable portion of the platforms, as well as to the east side of the concourse.

Good progress was made in the construction of the new wharf for Kowloon Station Yard which is built of reinforced concrete, the longest piles being 55 ft. long. The wharf is 150 ft. long and projects 50 ft. from the sea-wall. There are six tiers of stairs which facilitate the transfer of cargo to and from local craft at any state of the tide.

With the exception of the cast-iron stair treads, the wharf was completed at the end of the year.

The Electric Turret Clock for Kowloon Station Clock Tower arrived in the autumn and the work of installing was at once begun. Unfortunately, however, progress has been seriously delayed owing to the non-arrival of necessary drawings and instructions from the makers.

The repairing of Government Motor Cars and Motor Fire Engines is now undertaken by this department, and a brick building has been erected in the Locomotive Yard to serve as a workshop for this purpose.

An iron building has also been erected near the workshops to accommodate the newly acquired electric welding plant which must necessarily be outside the workshops proper.

Owing to the gradual growth of Yaumati and neighbourhood, the question of a wide-span road bridge, where the road will pass under the railway north of Yaumati Station was again considered. Drawings were submitted to the Consulting Engineers who have since approved the general design and steelwork details and working drawings are now in preparation.

It had been observed for some time past that the rails in Beacon Hill Tunnel were rapidly wearing down, and early in the year a fractured rail was discovered.

After a careful examination of the track throughout the tunnel, it was decided to relay with new rails, and reserve those taken out for sidings. Sufficient rails and fastenings for this work were ordered through the Crown Agents and are now in the Colony.

On April the 3rd, the fitters and turners of the Colony came out on strike, and the railway fitters were compelled by their guild to join the strikers; 16 days later the drivers and firemen were obliged to stand off in sympathy with the fitters and turners. On April the 19th, however, the strike was settled by a commission appointed by the Government of which the Honourable Mr. John Johnstone was chairman.

During the absence of the Chinese drivers, men from the Navy and Army were lent by the Authorities, and greatly assisted in maintaining the train service during the period of the strike.

On August the 1st, a washout occurred on the Chinese section near Nam Kong, which necessitated the cancelling of both the down morning express, and the up afternoon express for five days. A temporary footbridge was erected, and the train service partly maintained by the transfer of passengers at this point until August the 8th when the repairs were completed.

Shortly afterwards, owing to internal trouble in the Kwong Tung Province, through traffic was again seriously interrupted. Fighting occurred in Chinese territory on September 16th near Nga Yeo (26½ miles from Canton). The up afternoon and down morning through expresses were cancelled that day and, from the 17th to 20th, with the exception of the up afternoon express on the 20th, the through and joint sectional trains were suspended between Canton and Sheklung in Chinese territory.

Fighting recommenced in October, resulting in further trouble in the Chinese territory; some rails were removed from the track near Sheklung on October the 6th and a railway bridge between Sheklung and Shek Ha was damaged four days later; also on the 14th the track was broken in the neighbourhood of Shek Ha, and, as the unsettled conditions continued until the end of October, the morning down and the afternoon up through expresses did not run from October the 6th until the 2nd November; and the afternoon down and the morning up expresses were cancelled between the 24th of October and the 1st of November.

The running of the two slow through trains had to be discontinued for 10 days during this period; and it was not until the 2nd November, that the full train service was resumed.

The Local Traffic Earnings have improved. The receipts amounted to $194,041·14 against $179,434·14 or $14,607·00 more than the previous year, the increase being under passenger receipts. In May, it was decided that the railway should discontinue its custom of debiting other departments for the transport of Government passengers travelling on duty and other services rendered, and accordingly the sum of $4,577·77 is not included in the Railway earnings.

Through and Joint Sectional Traffic Receipts were $318,345·37, an increase of $16,017·63 when compared with 1919.

The Gross Receipts for the year were $520,176·10 as against $490,092·77 for 1919, an increase of $30,083·33.

The balance after paying working expenses stands at $33,032·06.

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a.*)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases

Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the harbour.

The Civil Hospital contains 168 beds in 21 wards. 4,701 in-patients and 31,196 out-patients were treated during 1920 as against 3,926 and 22,446 respectively in 1919. 243 cases of malarial fever were admitted, as against 218 in 1919 and 211 in 1918. The total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 246 cases as compared with the year 1918. The Maternity Hospital contains 9 beds for Europeans and 8 for Asiatics. 502 confinements occurred during the year as against 460 in 1919. The Victoria Hospital at the Peak contains 41 beds, and during 1919 206 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 54 cases were treated in 1919, all being infectious.

(*b.*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds. 224 patients of all races were treated during 1920 and there were 3 deaths.

(*c.*)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 330 beds in the buildings and 7,391 patients were accommodated during 1920.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 60 beds and during 1920 6 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hongkong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1920 was 1,740 and the expenditure $24,475·50. The number of labours in the Maternity Hospital was 447. The Government makes a grant of $300 per annum to these Hospitals.

To avoid the complete seclusion from friends and relatives, which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These Hospitals are under the management of the Chinese Public Dispensaries Committee.

The Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 70 beds and 4,067 patients were accommodated during 1920. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education the Hongkong University is also an Aided Institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government, may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1920 the number of persons admitted was 405 and at the close of year 47 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was **$37,293** for the year **1920**. The Government makes an annual grant of **$7,000**, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—VITAL STATISTICS.

(*a*)—POPULATION.

The civil population of the Colony, according to the Census taken on May 20th, 1911, was **456,739**, of whom **104,287** reside in the New Territories and in New Kowloon; at the Census taken in **1906** it was **301,967** exclusive of the New Territories and of New Kowloon. The estimated total population at the middle of the year under review was 648,150, but this includes the New Territories; and as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 547,350, of whom 14,000 were Non-Chinese.

The distribution of population estimated to the middle of 1920 was as follows:—

Non-Chinese Civil Community		14,000
Chinese Population—		
City of Victoria (including Peak)	342,000	
Villages of Hongkong	18,050	
Kowloon (including New Kowloon)	104,000	
New Territories	100,800	
Population afloat	69,300	
Total Chinese Population		634,150
Total Civil Population		648,150

(*b*)—PUBLIC HEALTH AND SANITATION.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hongkong during 1911, 1912, and 1913 elected to remain in the Colony.

The birth-rate for the year was 3·96* per 1,000 among the Chinese community and 21·9 per 1,000 among the Non-Chinese community, as compared with 3·9 and 20·6 for 1919.

The death-rate for the year was 22·78 per 1,000 among the Chinese community and 17·9 among the Non-Chinese civil community, as compared with 23·3 and 21·9 for 1919.

The number of deaths from malaria (332) shows an increase on the previous year (319). The deaths of Chinese from this cause in the City of Victoria numbered 124 out of a population of 342,000 or a rate of 0·36 per 1,000 per annum.

The deaths from plague numbered 120 as compared with 426 in 1919.

Small-pox deaths numbered 21, all Chinese.

There were 3,834 deaths from respiratory diseases, other than Pulmonary Tuberculosis, as compared with 3,049 in 1918, and 45 of these were among the Non-Chinese community. Pulmonary Tuberculosis claimed 1,380 Chinese and 21 Non-Chinese victims, whilst other forms of Tuberculosis represent an additional 681 deaths, making a total of 2,082 or 16·7 per cent. of the total deaths among the community.

Beri-beri was responsible for 361 deaths, as compared with 555 during 1919 and 804 in 1918. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that Beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice, when fresh meat or fresh fish cannot be afforded.

A tabular statement of the principal causes of death is appended.†

(*c*)—CLIMATE.

The principal features of the weather in 1920 were :—

(*a*) Barometric pressure below normal from the beginning of May to the beginning of August.

(*b*) Rainfall much above normal in May and July.

Barometric pressure was considerably below normal in May, June, July, November and December, and moderately above in January. The mean pressure for the year at station level was 29·814 ins. as against 29·842 ins. in 1919 and 29·843 ins. for the past 37 years. The highest pressure was 30·374 ins. on January 4th as against 30·398 ins. in 1919 and 30·509 ins. for the past 37 years. The lowest pressure was 29·208 ins. on July 19th as against 29·287 ins. in 1919 and 28·735 ins. for the past 37 years.

The temperature of the air was moderately below normal in April and considerably above normal in November and December. The mean temperature for the year was 72°·0 as against 72°·2 in 1919 and 71°·8 for the past 37 years. The highest temperature was 93°·1 on July 25th as against 92°·2 in 1919 and 97°·0 for the past 37 years. The lowest temperature was 45°·1 on January 5th as against 39°·4 in 1919 and 32°·0 for the past 37 years.

The rainfall was considerably above normal in May, July and November. The total for the year was 107·880 ins. as against 76·140 ins. in 1919, and 84·276 ins. for the past 37 years. The greatest fall in one civil day was 8·235 ins. on July 19th and the greatest in one hour was 1·435 ins. between 8.30 p.m. and 9.30 p.m. on September 12th.

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* This figure is wholly misleading as it is impossible to register more than a portion of the births.

† See Appendix.

The wind velocity was considerably below normal in January and October, and moderately below in February, July and September. It was moderately above normal in May and July. The mean velocity for the year was 12·0 m.p.h. as against 11·4 m.p.h. in 1919 and 12·7 m.p.h. for the past 37 years. The maximum velocity for one hour as recorded by the Beckley Anemograph was 51 miles at 2 p.m. on July 31st as against 60 miles in 1919 and 108 for the past 37 years. The maximum squall velocity, as recorded by the Dines-Baxendell Anemograph, was at the rate of 61 m.p.h. at 10 h. 58 m. p.m. on July 30th as against 84 m.p.h. in 1919 and 105 m.p.h. for the past 11 years.

The climate of Hongkong is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is usually from 3° to 6° lower than at the Observatory, Kowloon. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the SW monsoon, being sheltered by steep hills from SE to SW. In winter it is exposed to the NE monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the South-west side of the Island is protected from the NE monsoon in winter and enjoys the benefit of the SW monsoon in summer.

X.—POSTAL AND TELEGRAPH SERVICES.

The total revenue from the Postal Service in 1920 amounted to $526,122·08, being $76,065·33 more than that collected in 1919. The net expenditure amounted to $229,378·70. The balance of revenue over expenditure amounted to $296,743·38.

The revenue collected in 1920 from radio-telegrams amounted to $14,591·73, being $4,241·70 more than that collected in 1919. Advices of vessels signalled at the Lighthouses yielded $581·20 making a total of $15,172·93 for the Telegraph Service. The expenditure amounted to $39,335·15. The number of radio-telegrams forwarded during the year was 1,965 consisting of 25,221 words, and 5,306 received consisting of 75,007 words.

CLAUD SEVERN,
Colonial Secretary.

28th October, 1921.

APPENDIX.

DEATHS REGISTERED IN THE COLONY OF HONGKONG DURING 1920.

	Typhus Fever.	Haemoglobinuric Fever.	Paratyphoid Fever.	Influenza.	Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cerebro-spinal Meningitis.	Dysentery.	Plague.	Malarial Fever.	Cholera.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other Causes.	Unknown.	All Causes.
British and Foreign Community— Civil	1	1	1	27	2	—	10	3	4	10	4	9	—	—	1	2	—	17	3	3	4	4	8	2	7	35	21	7	—	1	9	71	1	268
ChineseCommunity— Victoria and Peak	—	—	—	186	4	15	36	19	57	142	105	124	4	6	26	388	9	170	315	213	297	238	46	159	121	1,565	897	280	24	17	176	2,514	39	8,192
Harbour	—	—	—	47	—	—	8	1	4	26	3	60	2	4	2	5	1	43	8	101	15	49	6	4	5	111	136	28	4	1	20	131	75	900
Kowloon ..	—	—	—	276	15	7	13	5	34	77	4	77	—	—	26	34	1	64	25	243	74	48	17	12	47	419	308	191	10	5	79	537	80	2,728
Shaukiwan ..	—	—	—	5	—	1	—	—	2	3	—	13	—	1	2	1	—	9	4	15	12	17	4	1	2	43	20	7	3	—	2	39	2	208
Aberdeen ..	—	—	—	1	—	—	—	—	2	1	4	38	—	—	—	1	—	1	—	16	1	3	—	—	1	6	17	1	—	—	—	2	—	95
Stanley	—	—	—	—	—	—	—	—	—	—	—	11	—	—	—	—	—	—	—	5	—	2	—	—	1	—	2	—	—	—	1	5	1	28
Total, 1920 ..	1	1	1	542	21	23	67	28	103	259	120	332	6	11	57	431	11	304	355	596	403	361	81	178	184	2,179	1,401	514	41	24	287	3,299	198	12,419
" 1919 ..	—	—	2	449	15	6	85	36	204	178	426	319	42	15	126	208	10	256	432	522	539	555	53	169	124	2,043	1,006	805	47	31	227	2,258	460	11,647

COLONIAL REPORTS, ETC.

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ANNUAL.

No.	*Colony, etc.*	*Year.*
1069	Trinidad and Tobago	1919
1070	British Honduras	"
1071	Hong Kong	"
1072	Barbados	1919–1920
1073	East Africa Protectorate	1918–1919
1074	Leeward Islands	1919–1920
1075	Nyasaland	1919
1076	Falkland Islands	"
1077	Bermuda	1920
1078	Grenada	"
1079	Uganda	1919–1920
1080	Fiji	1920
1081	Gibraltar	"
1082	Northern Territories of the Gold Coast	1919
1083	Bechuanaland	1920–1921
1084	St. Helena	1920
1085	Basutoland	1920–1921
1086	Ceylon	1920
1087	Barbados	1920–1921
1088	Gilbert and Ellice Islands	1919–1920
1089	East Africa Protectorate	"
1090	Sierra Leone	1920
1091	Zanzibar	"
1092	Cayman Islands	1918–1919
1093	Cyprus	1920
1094	St. Vincent	"
1095	Bahamas	1920–1921
1096	Nyasaland	1920
1097	Weihaiwei	"
1098	Nigeria	"
1099	New Hebrides	"
1100	Somaliland	"
1101	Straits Settlements	"
1102	Swaziland	1920–1921
1103	Trinidad and Tobago	1920
1104	Turks and Caicos Islands	"
1105	Northern Territories of the Gold Coast	"
1106	Seychelles	"
1107	Ashanti	"

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Report on a visit to the Island by the High Commissioner for the Western Pacific.

COLONIAL REPORTS—ANNUAL.

No. 1139.

HONGKONG.

REPORT FOR 1921.

(ABRIDGED.)

(For Report for 1920 see No. 1108.)

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No. 1139.

HONGKONG.

ANNUAL GENERAL REPORT FOR 1921.

PREFACE.

The Colony of Hongkong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and about 2 to 5 miles in breadth, its circumference being about 27 miles and its area about 32 square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841; the cession being confirmed by the Treaty of Nankin in August, 1842; and the charter bears the date 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration.

GENERAL OBSERVATIONS.

Trade was throughout the year in a depressed state, largely owing to the overstocked condition of the market which prevailed in the autumn of 1920.

The rice trade was on the whole unsatisfactory. The Cuban market, which is one of the main outlets, was closed to Hongkong until the end of June, when the lifting of the embargo on the importation of

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rice into Cuba brought temporary relief. The improvement was, however, short-lived in consequence of competition from Germany where considerable stocks of rice had been accumulated, which on account of the depreciation of the mark could be re-exported at prices considerably lower than those prevailing in the East.

Pilferage of cargo in transit which had caused the greatest anxiety to the commercial community in all parts of the world showed a distinct diminution towards the end of the year, largely owing to increased Police patrol services and to more efficient control exercised by the various steamship owners, by wharf companies, and by other interests involved.

Considerable improvement was shown during the year in the mail service between Great Britain and the Far East and the delays in the transmission of telegrams which had prevailed since the War were substantially reduced by the completion of a new cable from London to Singapore.

The year was marked by further strikes affecting mechanics and skilled labour generally, resulting in advances of wages by some 30 per cent.

The year opened with Exchange at 3/2. A rapid fall was registered until on March 7th the rate was 2/2½, the lowest for the year. Silver then reacted with the result that Exchange gradually advanced with one or two setbacks until the figure of 2/11½ was reached in the early part of October. Later a steady decline set in until on December 31st the rate was quoted at 2/7 for T/T. on London.

During recent years great and rapid development has taken place on the Kowloon Peninsula. Extensive garden lots have been converted into building sites and rapidly built over ; low-lying areas have been filled in by the spoil from the levelling of other parts and expansion has therefore been possible over both ; while the area available for building purposes is being extended by large reclamations on the sea front. The increase in popularity of this district is markedly shown in the latest census statistics ; during the last ten years, the population of Kowloon has increased by 55,951 or 82·96 per cent., a phenomenal increase for a district which in 1881 numbered only 9,021 inhabitants.

The decennial census of the civil population of the Colony was taken in the Island of Hongkong and Kowloon on the night of April 24th and in the New Territories between March 24th and April 24th, the floating population being enumerated between April 23rd and 26th. The total population was found to be 625,166, an increase of 168,427 or 36·87 per cent. on the figures for 1911.

I.—FINANCES.

The revenue for the year amounted to $17,728,132 being $2,391,782 more than the estimate and $3,038,460 more than the revenue for the previous year.

Compared with the returns for 1920 there were increases under every head.

The expenditure, inclusive of a sum of $3,053,525 spent on Public Works Extraordinary, amounted to $15,739,652 being $1,609,498 less than the estimate, and $1,250,058 more than the expenditure in 1920. Compared with the estimates there were increases under 18 heads as against 8 heads where there were decreases. The excess amounting to $196,971 under Miscellaneous Services was due to transport of Government servants, and $210,530 in the case of Kowloon-Canton Railway due to two motor coaches and motor trailer. Military expenditure was less than the estimate by $202,100 due to recovery of amount overpaid in 1920. Imports and Exports Department shows a saving of $254,086 due to less purchase of Opium, and Public Works Extraordinary was less by $1,913,874 than the amount estimated. The item Charge on account of Public Debt was responsible for an excess over the estimates of $108,244 due to lower exchange.

The balance to the credit on the year's working was $1,988,480 and the assets and liabilities account showed on the 31st December a credit balance of $6,478,746.

The following is a statement of the revenue and expenditure of the Colony for the five years 1917-1921 :—

	Revenue. $	*Expenditure.* $
1917	15,058,105	14,090,828
1918	18,665,248	16,252,172
1919	16,524,975	17,915,925
1920	14,689,672	14,489,594
1921	17,728,132	15,739,652

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £368,403. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000 and there are the sums of $664,495 and £89,093 at credit of the Sinking Fund.

During the period 1912-1921 the assessment of the whole Colony has risen from $12,312,306 to $18,696,660, an increase in rateable value of $6,384,354.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows :—

Hongkong & Shanghai Banking Corporation	$40,395,225
Chartered Bank of India, Australia & China	9,074,137
Mercantile Bank of India, Limited	1,321,503
	$50,790,865

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins less those demonetised now amounts to $20,789,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetisation. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $23,235,459 has thus been redeemed. The total issue by the Hongkong Government was of the face value of about $44,000,000.

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a*.)—SHIPPING.

The total of the Shipping entering and clearing at Ports in the Colony during the year 1921 amounted to 672,680 vessels of 43,420,970 tons, which, compared with the figures for 1920, shows a decrease of 10,816 vessels, with an increase of 3,298,443 tons.

Of the above, 52,222 vessels of 27,852,616 tons were engaged in Foreign Trade, as compared with 43,364 vessels of 24,194,022 tons in 1920, and were distributed as follows :—

	1920. Numbers.	1921. Numbers.	1920. Tonnage	1921. Tonnage.
	%	%	%	%
British Ocean-going Ships ..	9·6	8·9	34·5	33·3
Foreign Ocean-going Ships ..	12·5	11·1	38·1	38·8
British River Steamers ..	11·9	11·0	13·5	12·6
Foreign River Steamers ..	4·0	3·5	2·4	2·1
Steam Launches (under 60 tons)	11·6	12·8	0·7	0·7
Trading Junks	50·4	52·7	10·8	12·5
	100·0	100·0	100·0	100·0

N.B.—The movements of Fishing Junks are not included in this Table.

Of vessels of European construction, 5,226 Ocean Steamers, 3,775 River Steamers, and 3,336 Steamships not exceeding 60 tons entered during the year, giving a daily average of 33·8 ships, as compared with 29·4 ships in 1920 and 29·1 ships in 1919.

The average tonnage of individual ocean vessels entering the port has increased from 1,831·0 to 1,919·8 tons, that of British ships has decreased from 2,002·3 to 1,997·5 tons, while that of foreign ships has increased from 1,699·2 to 1,857·9 tons.

The average tonnage of individual river steamers entering during the year has increased from 425·8 to 460·5 tons.

That of British river steamers has increased from 516·1 to 570·5 tons, and that of foreign river steamers has decreased from 324·3 to 316·7 tons.

In steamships not exceeding 60 tons employed in foreign trade, there is an increase of 1,659 ships with an increase in tonnage of 28,479 tons or 33·0 per cent. in numbers and 17·0 per cent. in tonnage. This is due to 19 newly licensed launches plying in 1921.

Junks in foreign trade show an increase of 5,659 vessels and an increase of 873,853 tons or 25·9 per cent. in numbers and 33·4 per cent. in tonnage.

In local trade (*i.e.*, between places within the waters of the Colony), there is a decrease in steam-launches of 21,682 and a decrease of 462,528 tons or 3·5 per cent. in numbers and 3·2 per cent. in tonnage. This is due to bigger launches being employed in local ferry services, making fewer trips.

Junks in local trade show an increase of 2,007 vessels and an increase of 102,377 tons or 9·5 per cent. in numbers and 7·9 per cent. in tonnage. This is due to more junks being employed on reclamation.

There was an increase in British ocean-going shipping of 457 ships or 10·9 per cent. and an increase of 896,114 tons or 10·7 per cent. This increase is due to newly-built ships and enemy ships transferred to the British flag and various steamship lines running their eastern trade which were elsewhere employed during war times.

British river steamers have increased by 605 ships with an increase in tonnage of 262,309 tons or 11·7 per cent. in numbers and 8·0 per cent. in tonnage. This increase is due to the s.s. "Chuen Chow," which was laid up, being again put on the Macao run.

Foreign ocean-going vessels have increased by 409 ships, with an increase of 1,593,861 tons or 7·5 per cent. in numbers and 17·2 per cent. in tonnage. This increase is due to the large amount of new American, Norwegian and Chinese vessels frequenting the port and enemy vessels being transferred to other nationalities.

Foreign river steamers show an increase of 69 ships, with an increase in tonnage of 2,878 tons or 3·8 per cent. in numbers and 0·5 per cent. in tonnage. This increase is due to two Chinese ships which were added to the Wuchow service at the end of last year making regular trips throughout the year.

The actual number of individual ocean-going vessels of European construction during the year 1921 was 988, of which 343 were British and 645 foreign. In 1920 the corresponding figures were 927, of which 330 were British and 597 foreign.

These 988 ships measured 2,713,098 tons. They entered 5,232 times and gave a collective tonnage of 10,044,422 tons.

Thus 61 more ships entered 425 more times and gave a collective tonnage greater by 1,242,802 tons, an average of 2,924·2 tons per entry.

TRADE.

Detailed and accurate statistics of imports and exports are collected and published by the Imports and Exports Department.

OPIUM.

Two hundred and twenty-three (223) chests of Persian opium were imported during the year. 223 chests were exported to Formosa.

Four hundred and thirty-five (435) chests of uncertificated Indian opium were imported; 325 chests for the Macao opium farmer, and the remaining 120 chests for the Government opium monopoly.

The table below shows the total imports and exports since 1913:—

	1921. Chests.	1920. Chests.	1919. Chests.	1918. Chests.	1917. Chests.	1916. Chests.	1915. Chests.	1914. Chests.	1913. Chests.
Stock in hand on 1st January.	329	329	253	799½	977½	1,303½	2,256½	4,580½	5,560
Imported during the year.	658	1,525½	1,290	1,259	1,657	1,706	1,873	3,059½	9,108½
Total ..	987	1,854½	1,543	2,058½	2,634½	3,009½	4,129½	7,640	14,668½
Boiled by Opium Farmer.	—	—	—	—	—	—	—	36	667
Boiled by Government.	200½	225	377	539	352	365	340	413	—
Spurious Opium destroyed.	—	—	—	1	13	—	17	19	—
Used locally ..	—	3	—	—	—	—	—	—	—
Missing or stolen	—	—	—	—	1	—	—	4	2
Sold to Government.	12	—	—	—	—		—	—	—
Exported during the year.	548	1,297½	837	1,265½	1,469	1,667	2,469	4,911½	9,419
Total ..	760½	1,525½	1,214	1,805½	1,835	2,032	2,826	5,383½	10,088
Stock remaining on 31st December	226½	329	329	253	799½	977½	1,303½	2,256½	4,580½

Emigration and Immigration.

One hundred and fifty-six thousand and eleven (156,011) emigrants left Hongkong for various places during the year 1921, (105,258 in 1920). Of these, 98,382 were carried in British ships and 57,629 in foreign ships.

One hundred and fifty-nine thousand and sixty-four (159,064) returning emigrants were reported to have been brought to Hongkong from the several places to which they had emigrated either from this Colony or from coast ports, as against 122,438 in 1920. Of these, 107,301 arrived in British ships and 51,763 in foreign ships.

(*b.*)—INDUSTRIES.

(i.)—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the year:—

Taikoo Dockyard & Eng. Co., Ltd.	9	vessels of	7,725	gross tons	and	6,900	I.H.P.
Hongkong & Whampoa Dock Co., Ltd.	6	„	26,637	„	„	17,700	„
W. S. Bailey & Co., Ltd.	20	„	3,387	„	„	2,192	„
Kwong Fook Cheong	1	„	200	„	„	280	„
Total	36	vessels of	37,949	gross tons	and	27,072	I.H.P.

Sugar Refineries.—The year 1921 saw the gradual adjustment of prices to a normal level and although sellers were successful in maintaining prices until May, they eventually dropped to about Guilders 10. A period of adjustment was unavoidable after the very high prices ruling in 1920 and the dislocation of stocks resulting, but a more satisfactory state of affairs may be looked for on the return of normal production and consumption.

Yarn.—The yarn trade during 1921 was not unsatisfactory, and the few native dealers who survived the collapse of the previous year closed the period profitably.

The total quantity of Indian yarn imported into the Colony during the year amounted to 110,000 bales, and 25,000 bales were brought forward from the previous year.

Clearances totalled 121,000 bales, leaving a carry-over of 14,000 bales.

Cotton.—Middling American cotton was quoted in Liverpool on 1st January at 8·65*d.* for spot. It advanced until the 17th idem, when 10·69*d.* was reached, then slumped to its lowest point for the period under review, *viz.*, 6·38*d.* on 28th February.

A fairly even position was maintained between 7*d.* and 8*d.* for four months, until the end of August, when the U.S.A. Cotton Bureau estimates reported a shortage in crop which brought in heavy buyers, with the result that on 29th September 15·70*d.* was registered. Later it became apparent that the bureau's figures were incorrect and the rate gradually sagged away until on 31st December the quotation was 11·36*d.*

Rope Making.—Trade during 1921 was very much the same as in 1920. Exchange ruled more favourably and bigger business should have resulted had it not been for increased competition with lower quality rope in some of the markets.

Cement Manufacture.—The demand for cement continued unabated for the first eight months of the year, but there was a material falling off in exports to India, Java, etc., during the last four months, due chiefly to the importation there of large quantities of cheap cement principally from Belgium, Germany and Italy. The total turnover, however, was almost exactly the same as that of the previous year.

(ii.)—*Under Chinese Management.*

Tin.—This line of business was not nearly as good as 1920, chiefly owing to the unsettled state of affairs in the interior of China, especially in the Kwangsi Province; also lack of demand from both Europe and America. Therefore, the local prices only varied from $5 to $7 per picul for the whole year round, in spite of a fair quantity having been seized by the Kwangtung military authorities from Fu-Roo of the Kwangsi Province after the civil war between the two provinces, and being offered to be disposed of at a cheap rate. At the beginning of the year prices seemed to be very much stronger.

Imports and exports for the year, in approximate figures, were :—

Imports.		*Exports.*	
From Straits	700 Tons.	To United Kingdom	2,000 Tons.
„ China.........	50 „	„ United States...	1,000 „
„ Yunnan	8,000 „	„ China..........	2,100 „
„ Kwangsi	200 „	„ Japan	1,000 „
	8,950 Tons.		6,100 Tons.

Native Tobacco.—Practically nothing was done during the whole year. Prices were down more than 50 per cent. and all houses lost heavily.

Leather and Hides.—Some improvements had been made in these lines and dealers made some money with a fair amount of business transacted, but imports of hides from Kwangsi were scarce on account of the trouble in the interior of China.

Ginger and Preserves.—The export of these commodities increased a good deal and dealers made money on account of cheap prices of ginger and sugar.

Soy.—There was not much change in this line on that of the previous year.

Paper.—Owing to heavy stocks and small demand losses are reported.

Vermilion.—Very little business was done and was worse than 1920.

Lard.—This line of business was very much behind 1920, owing to lack of demand from foreign countries.

Tinned Goods.—General improvement has been made in these lines, as cost of tin-plates, sugar and raw materials was less.

Shamshoo.—Spirit of wine and sugar were cheaper, therefore profits to native brewers were better, but exportation was about the same as the previous year.

Vinegar.—Molasses were low in price and good business was done.

Knitted Vests and Socks.—Up to date machinery is now being used, and these industries are progressing day by day. Great demand was made from the interior and from Australia, and profitable business resulted.

Rattan and Fibre Furniture.—There was not much improvement on the previous year. Local prices advanced 5 per cent. only on account of labour. Seagrass and rattan core were also slack.

(*c.*)—FISHERIES.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—FORESTRY, AGRICULTURE, AND BOTANY.

At Kowloon Tsai, 2,500 one year old trees of ***Pinus massoniana*** were planted.

On the hills between Cheung Sha Wan and the Taipo Road, 50,000 sites were sown with pine seeds.

All sites in which seeds had failed to germinate at Cheung Chau and Fan Ling were resown with pine seeds; altogether 45 pounds of pine seeds were used.

Two hundred and ninety-four pounds of pine seed was sown broadcast on grass banks above and below roads at the following places, Taipo Road, Tsin Wan Road, Chai Wan gap to Tytam, Tytam to Stanley, Stanley Road, Findlay Road, Lugard Road, Sai Kung gap to Ha Chan gap and roads on Cheung Chau.

On the grass slopes below Severn Road 394 one year old trees of ***Pinus massoniana*** were planted.

Broad-leaved trees planted.

In the vicinity of Aberdeen reservoir, 186 young trees of "Jak" (***Artocarpus integrifolea***) were planted.

One hundred and eighty-five tristanias and 45 eucalyptus were planted on grass banks below Severn Road.

The trees used for roadside planting were principally camphor, tristania, albizzia, melaleuca, poinciana, ficus, aleurites and bauhinia; these were used at the following places, Tytam Road 20, Shaukiwan 12, Shaukiwan to Tytam 59, Bowen Road 2, Pokfulam Road 2, Barker Road 6, Plantation Road 13, Conduit Road 2, Albany Road 2, Nathan Road 46, Mody Road 3, Taipo Road 422, Tsin Wan Road 738 and 24 near the market on the Sham Shui Po reclamation.

Trees removed.

In connection with general improvements to and widening of roads in various parts of the Colony, large shade trees had to be felled at the following places, Queen's Road East 9, Arsenal Street 2, Caine Road 4, Eastern Street 2, Pokfulam Road 1.

At Taipo police station a number of large specimens of tristania which were entirely shutting out the view of the railway station and the adjoining public road were removed.

In connection with extensions at Kowloon and Yaumati reservoirs and the formation of the site for new cemeteries at Fo Pang Hang, numbers of ***Pinus massoniana*** had to be removed from adjoining plantations.

At the top of earth banks at the back of the reclamation at Aplichau, a large number of camphors, pines and tristanias had to be felled to allow for the removal of earth and to prevent landslides.

A very large number of pine and other trees were removed from building sites in all parts of the Colony.

Insect pests were much less troublesome than during the preceding year; the pine tree caterpillar made its appearance in small numbers only at Fan Ling; these were immediately collected and destroyed.

Creepers on pine trees in Hongkong and the New Territories were continually cut and removed.

Pine seedlings in pits, which are raised from seed sown in sufficient numbers to allow of the germination of five seeds to one pit, were regularly inspected, and where found to be thick the weakest were cut out.

Clearing of undergrowth in connection with anti-malarial measures was maintained throughout the whole year; the total area cleared amounted to 3,400,000 sq. feet.

The total area cleared for surveys by the Public Works Department amounted to 3,990,000 sq. feet.

Vegetables and native fruits were grown in the experimental garden at Fan Ling for demonstration purposes.

The first and second rice crops were very good, pea nuts fair, and sugar-cane and pineapples very good.

Nine thousand, eight hundred and thirty-five cases containing 951,605 bulbs of *Narcissus tazetta* were inspected and certified as apparently free from insect pests and fungoid diseases.

Seven hundred and ninety-seven plant specimens were mounted during the year, of these 641 were from Kwong Tung Province, 54 from Kwai Chau, and 102 from Australia.

One hundred Australian specimens were presented by Mr. H. M. Maiden, I.S.O., F.R.S., F.L.S., of the Botanic Gardens, Sydney.

(*e.*)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of crown land and pier rights, New Territories excepted, for the year 1921 was $1,591,308·26, an increase of $1,268,693 on the preceding year and $1,035,148 more than the average for the previous five years (1916–1920); the year's result however is abnormal; one item alone exceeds the total of any of the years included for the purpose of comparison.

The principal items were $563,000 for Marine Lots Nos. 430 and 431, (North Point), $124,000 (part premium) for Inland Lots Nos. 2316 and 2319, (Queen's Road Central and Pedder Street sites), $94,000 (part premium) for Inland Lots Nos. 2317 and 2318 (Queen's Road Central and Pedder Street sites), $71,000 for Kowloon Inland Lot No. 1432, $41,000 for Kowloon Inland Lot No. 1439, $8,370 for Pier No. 6 and $1,067 for Pier No. 51.

In the New Territories the net amount received for premium on sales of land was $85,591·01, the principal items being $9,295·70 for New Kowloon Inland Lot No. 317 and $6,550 for New Kowloon Inland Lot No. 339, being $144,858·04 less than the year 1920, in which year New Kowloon Marine Lots Nos. 6 and 7 sold for $150,660 and New Kowloon Marine Lot No. 8 for $51,418.

The number of deeds and documents registered in the Land Office was 4,466 and exceeded the total of any previous year by 1061; the aggregate consideration set out in deeds registered was $107,855,703·10 as against $67,493,394 in 1920.

Resumptions include portion of Marine Lot No. 65 (Praya East), Inland Lot No. 358 (Caroline Hill) and Kowloon Farm Lot No. 9.

Development at Shamshuipo continues.

With one exception agreements relating to the Praya East Reclamation were entered into by all entitled to participate.

The total area of land sold or granted during the year was 564*a*. 3*r*. 7·91*p*., of which 523*a*. 0*r*. 78*p*. (including 361 acres for camphor growing) were dealt with by the District Officers. The total area of land resumed was 116*a*. 1*r*. 18·74*p*.

In the New Territories the demand for land was steady with upward tendency.

III.—LEGISLATION.

Thirty-two (32) ordinances were passed during 1921, of which fifteen were amendments of previous ordinances.

The most important of these ordinances were :—

The Treaty of Peace (Amendment) (No. 2) Order, 1920 (No. 7).

The Treaty of Peace (Hungary) Order, 1921 (No. 29).

These two ordinances were for the purpose of modifying certain provisions of the Orders in Council, and of adapting the provisions of the said Orders to the circumstances of the Colony.

The Holts Wharf (No. 3).

The Mercantile Bank note issue (No. 26).

The St. Joseph's College incorporation (No. 27).

These are private enactments. The object of the first one was to give the Governor in Council power to make by-laws for the maintenance of order and safety in the conduct of the business carried on at Holts Wharf, while the second one was passed to extend the period in which the Mercantile Bank of India was empowered to make, issue, re-issue and circulate bank notes. The object of the third was to incorporate the Christian Brothers School in Hongkong known as St. Joseph's College.

The Custodian (No. 6)—The object of which was to make it clear that property, rights and powers vested in, or conferred upon, any holder of the office of custodian passed to his successors in office.

The Stamp (No. 8)—The objects of this ordinance were (*a*) to increase the revenue from stamp duties, (*b*) to facilitate the collection of these duties and prevent evasion, and (*c*) to correct various defects in the law which had long been known to exist.

The Maintenance Orders (Facilities for Enforcement) (No. 9)—The object being to facilitate the enforcement in the Colony of maintenance orders made in England or Ireland and *vice versa*.

The Criminal Procedure (No. 10)—The object of this ordinance was to effect several improvements in the criminal procedure of the Supreme Court.

The Non-Ferrous Metal Industry (No. 11)—This was to repeal the Non-Ferrous Metal Industry Ordinance, 1919. It was recognised that the licence system introduced was of no practical use in Hongkong, which, as regards the metal industry, was a transhipping centre and not a producing country.

The Companies (No. 12)—The object of this ordinance was to introduce into the Companies Ordinances, 1911–1915, some amendments which experience had shown to be advisable, and to bring the law of the Colony into conformity with the China (Companies) Amendment Order in Council, 1919.

The Rents (No. 13)—The object of this ordinance was to protect the tenants of domestic tenements from unreasonable increase in rental and from arbitrary termination of their tenancies.

The Praya East Reclamation (No. 17)—The object of this ordinance was to legalise and to provide for the reclamation of the eastern praya.

The Judgments (Facilities for Enforcement) (No. 32)—This ordinance was passed with a view to provide for the reciprocal enforcement of judgments and awards in the Colony and other parts of His Majesty's dominions and in territories under His Majesty's protection.

IV.—EDUCATION.

No important changes have taken place in the Education Department during the year under review. The staff, depleted by causes due to the War, is being gradually brought up to normal strength again.

The total number of pupils at schools in the Colony, excluding the police school and the uncontrolled schools in the New Territories, are :—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools	3,386	19	3,405
Military Schools	140	—	140
Excluded Private Schools ..	281	12	293
Grant Schools	2,401	3,736	6,137
Controlled Private Schools ..	4,882	15,854	20,736
Controlled Private Schools, New Territories.	—	3,989	3,989
Technical Institute	582	—	582
Total	11,672	23,610	35,282

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance now housed in a new building presented to the Colony by Sir Ellis Kadoorie. *Kowloon School* and *Victoria School* for children of British parentage have an average attendance of 171. There is also a school for the children of the Peak District, with an average attendance of 38. The *Diocesan School and Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French,* and *St. Mary's Convents,* and the *Diocesan Girls' School,* are the most important of the English Grant Schools for girls.

The Hongkong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1921 in building construction, chemistry (practical and theoretical), physics, electricity, commercial English, French, shorthand, book-keeping, cookery and translation. Classes in sanitation (public hygiene) are also held, the examinations being conducted under the auspices of the Royal Sanitary Institute, London. Classes for men and women teachers, both " English " and " Vernacular " are a feature of the Institute.

The lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The University of Hongkong, incorporated under the local University Ordinance, 1911, and opened in 1912, is a residential University for students of both sexes, the object of which is declared by the said ordinance to be " the promotion of Arts, Science and Learning, the provision of higher education, the conferring of degrees, the development and formation of the character of students of all races, nationalities, and creeds, and the maintenance of the good understanding with the neighbouring country of China."

The inception of the University was primarily due to the initiative of Sir Frederick Lugard, Governor of the Colony from 1907 to 1912, and to the liberality of benefactors of varied nationality and domicile, first amongst whom should be mentioned the late Sir Hormusjee Mody, by whom the entire expense of the erection of the main building was borne.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a five-year course of study in the usual pre-medical and medical sciences, supplemented by clinical work in the Government Civil and Tung Wah Hospitals, leading to the degree of M.B., B.S. The degrees of M.D., and M.S., may be obtained for post-graduate work. The degrees above-mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four-year course in practical and theoretical engineering, leading to the degree of B.Sc. (Eng.). Fourth year students specialise in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc. (Eng.).

The Faculty of Arts includes departments of pure arts and science, education (including practical teaching) and commerce. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to better securing the maintenance of the desired standard—which in the Faculty of Medicine is that of an English University degree and in the Faculty of Engineering that of the corresponding degree in the University of London—external examiners are, in all faculties, associated with the internal examiners in all annual and final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D. is also granted, *honoris causa.*

The site of the University was given gratuitously by the Colonial Government. As subsequently enlarged by minor grants and by purchase, it includes an area of some 25 acres, looking out upon the harbour over the City of Victoria.

The main buildings, as already stated, were the gift of the late Sir H. Mody. In them are housed the chemical, physical and biological laboratories, the University library and portions of the engineering laboratories. They further include a Great Hall, a Senate Room and the lecture and class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of anatomy, physiology, pathology and tropical medicine, erected at the cost of Chinese gentlemen resident in the Colony. In the case of each of the three schools last mentioned a larger or smaller sum still remains available for further equipment.

Special engineering buildings include :—

(*a*) A power station, generating light and power for the estate, energy being supplied by internal combustion engines of varied types which are available for instructional purposes ;

(*b*) A prime movers (steam) and hydraulics laboratory, at present housed in a converted pumping station, formerly the property of the Government ; and

(*c*) A workshop, including a small machine-shop, smithy and carpenter's shop.

Electrical machinery (other than the main generating plant), electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include :—

(*a*) The Vice-Chancellor's Lodge.

(*b*) Staff-Quarters.

(*c*) The Residential Hostels, and

(*d*) The University Union Building.

The cost of the building last mentioned (some $62,000) was met in approximately equal shares from University moneys and from public subscriptions, the entire cost of furnishing being met out of further subscriptions.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's " manner of life is not such as is catered for in the hostels "), every matriculated student is required to reside either in a University, or in a recognised hostel.

The University hostels are three in number—Lugard Hall, Eliot Hall, and May Hall.

Recognised hostels are at present two in number—Morrison Hall, situate immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual common rooms. Each University hostel is in charge of a member of the staff, as resident Warden.

No University hostel at present exists for women students—whose right to admission to the University was first recognised in 1921; but by the courtesy of the school authorities, arrangements have been made for their lodging in connection with St. Stephen's Girls' College.

University fees for tuition and board amount to $550 per annum, enabling a student who lives carefully to meet the whole of his expenses with a sum of $1,000 per annum, as compared with a minimum sum of $2,500 per annum, besides travelling expenses, in the case of a Chinese student going abroad for his education.

The number of students attending lectures at the beginning of 1922 was 251, made up of 86 in the Medical Faculty, 48 in the Faculty of Engineering and 117 in the Faculty of Arts.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government, the President's Scholarships founded by His Excellency the President of China, together with Scholarships (some of which are in the nature of bursaries) given by the Hongkong Government, the Chinese Government, the Metropolitan District of Peking, the Provincial Governments of Canton, Chihli, Yunnan and Hupeh, the Governments of the Straits Settlements and the Federated Malay States, the Government of Kedah and the Siamese Government. Students are also drawn from the Philippines, French Indo-China and Australasia.

Noteworthy events in 1921 were the appointment of Sir William Brunyate, K.C.M.G., as Vice-Chancellor in succession to Sir Charles Eliot, K.C.M.G., C.B., who resigned upon appointment as His Majesty's Ambassador at Tokio; the creation of a four-year course in Commerce, for which purpose a sum of $12,000 for five years was promised by the General Chamber of Commerce of Hongkong; the increase of the Government subsidy from $20,000 to $50,000 a year, and the completion of a grant from the Colonial Government of $1,000,000 as additional endowment together with a further sum of $700,000 to pay off an accumulated deficit and to make good a portion of the sum spent on buildings and equipment; a gift of $100,000 from Messrs. John Swire and Sons, Ltd., for the purposes of the Engineering

Faculty; a promise of $100,000 by four half-yearly instalments from Sir Robert Ho Tung, for the building and equipment of an Engineering Workshop; a promise of $100,000 by four half-yearly instalments from Mr. H. M. H. Nemazee for general purposes; a promise of $50,000 spread over ten years, from Mr. Kwok Chung Yung; and negotiations with the Rockefeller Foundation of New York, which, since the end of the year, have resulted in the offer of the sum of $750,000 for the foundation of three full-time chairs in the Faculty of Medicine.

The total cost of the land, buildings and equipment of the University may be placed at approximately $1,750,000 and their replacement value at not less than $2,500,000. The invested endowments exceed $2,500,000, excluding sums promised and not yet received.

V.—PUBLIC WORKS.

BUILDINGS.

The erection of the following houses for senior officers was completed:—Two blocks each of four houses at Leighton Hill, three houses on Severn Road, one house for the Puisne Judge, and one house for a senior engineer, and, in addition, two contracts were let for two additional blocks of three houses each at Leighton Hill, and for one block containing six flats and four detached houses on the Homestead site, respectively.

All the houses at Leighton Hill are being constructed by Messrs. Denison, Ram and Gibbs, and those on the Homestead site by Messrs. Little, Adams and Wood.

In addition, twelve houses at Happy Valley were completed for subordinate officers early in the year.

Good progress was made with the new police married quarters, containing six flats, in Caine Road.

Alterations were carried out to the kitchen block at Government House, and a new garage block was commenced which includes quarters for the custodian and two rooms for guests, for whom accommodation cannot be found in the main building.

The quarters for scavenging coolies at Hospital Road were completed towards the end of the year, and good progress was made with similar quarters in Belchers Street.

Foundations were commenced for the large building (new fire brigade station) opposite the Central Market, the details of the accommodation of which were given in last year's report. A temporary fire station was completed in Wanchai.

A contract was let, and work commenced, for a maternity section next to the Victoria Hospital, Barker Road, the Peak, and plans were prepared for the alteration to the main hospital block and to the nurses' quarters; also, an outpatients' block was commenced at the civil hospital.

In Kowloon, quarters for the Royal Observatory staff were completed, and an extension to the pig lairage at Ma-tau-kok was made.

The preparation of the site for the Kowloon hospital was in progress.

Drawings were prepared for the new police station at Yaumati and Mong-kok-tsui, and for an extension to the fire brigade station at Kowloon.

Other works of a minor nature were carried out.

In the New Territories, work was proceeding in connection with the rebuilding of four of the prison sheds at the Lai-chi-kok branch prison.

Good progress was made with the new clerks' quarters at Taipo, and the land bailiff's quarters at Pingshan.

COMMUNICATIONS.

The following motor roads were in hand :—

A road contouring the south side of Mt. Davis and linking Pokfulam Road with the Victoria Road was completed, as was also the extension of Lugard Road; the first section of the road from Taitam Gap to Shek O, about one mile in length was also completed, and good progress was made with the second section thereof, and a contract for the third section was let; the two latter sections are also each about a mile in length.

A twenty-foot road from Wanchai Gap to Magazine Gap and from thence to Chamberlain Road was under construction; one, from Bowen Road to Wongneichong Gap—being the first part of the new road to Repulse Bay—was completed; and good progress was also made with the twenty-foot road from Bowen Road, contouring the hill towards Sookunpoo Valley, passing over the ridge where it will be joined by Broadwood Road.

A further section of the scheme for widening Kennedy Road was completed, and progress was also made with the scheme for widening Queen's Road, East, as opportunity afforded, though there still remains a considerable portion to be dealt with before the widening can be accomplished. Work on the scheme for the diversion of a certain portion of the Shaukiwan Road through Quarry Bay Village and the improvement of the alignment and levels of a considerable section of the same road on either side of the diversion was commenced.

In Kowloon, further progress was attained with the extension of the Coronation Road to the north west of Mong-kok village.

The section of the Kowloon City—Mong-kok-tsui Road east of the railway was nearing completion, and the section west of the railway was making good progress. The excavation from the hills to form the above-mentioned roads was being utilised to fill in the low-lying areas to the south of the Old Kowloon boundary line.

Extensive widenings of existing roads were carried out as follows:—

Kowloon City Road, between K.I.L. 1150 and the bridge over the stream course west of the "Hill of the King of the Sung"; from this latter point a sixty-foot width of roadway was constructed on a new alignment to the New Kowloon City—Mong-kok-tsui Road.

Salisbury Road, between Nathan and Chatham Roads.

Hankow Road, between Salisbury and Peking Roads.

Argyle Street, between Coronation Road and Ho-mun-tin.

The improvements to the Taipo Road, between the third and fifth milestones, and the section of this road—and the construction of a bridge—at Ma-nin-shui were completed.

A road extension, ten feet wide, was made from the Fanling-Sheung Shui Road to the Sheung Shui police station.

A considerable amount of surfacing of the hilly portions of the Lai-chi-kok—Castle Peak, Mong-kok-tsui—Taipo, and Taipo-Fanling Roads was done.

DRAINAGE.

The construction of a nullah at Mong-kok-tsui between the Taipo Road and the Old Kowloon boundary line near Kau-lung-tong was in progress. A beginning was made with the training and diversion of the large stream course to the east of Lai-chi-kok.

WATER WORKS.

Drawings and specifications were completed and tenders invited for the large scheme of filter beds to be constructed at the eastern end of Bowen Road; the contract had not, however, been awarded at the end of the year.

An additional rising main was laid to the Peak to enable more water to be pumped up to this district, and the laying of a new 8-inch main was commenced in order to connect Shaukiwan village with the city supply system; this latter work had to be suspended for a time on account of the alterations to the Shaukiwan Road. As a temporary measure, however, a 3-inch main was put through in order to obviate any difficulties which might arise until the larger pipe could be laid.

For the supply of an additional engine and boiler, required for the Pokfulam Road pumping station, the tender of Messrs. Tangye was accepted, and the foundation plans were received at the end of the year thus enabling a commencement to be made with the extension of the station so as to provide the necessary accommodation.

Tenders were considered for an additional steam pumping set for the Taitam Tuk pumping station, but in view of the excessive price quoted as compared with an electrically driven plant, the matter was again referred home for consideration by the consulting engineers.

The laying of a 3-inch main from the Wong-nei-chong reservoir to a service tank at Repulse Bay was completed and in service early in the year.

The work of substituting an 18-inch water main for the existing one of 12-inch from the Kowloon filter beds to Yaumati was completed, except for a short section beyond the third milestone on the Taipo Road where the road requires to be diverted. The replacing of the existing water mains in the Kowloon distribution system by larger ones was continued.

At the Kowloon filter beds, adjoining the Taipo Road, two new beds are in course of construction.

The taking over and the reconstruction of the existing water works supplying the Fanling Golf Club houses and a few other residences in that neighbourhood was completed.

Plans were prepared for a water supply at Taipo.

Reclamations.

At Aplichau, the reclamation under construction was nearly completed by the end of the year. It will provide a considerable area upon which it is hoped to be able to accommodate some of the old village lot-holders so that this insanitary area may be improved as opportunity arises.

Satisfactory progress was made with the filling in of the tidal flat and the cutting down of the hill between Tai-kok-tsui and Fuk-tsun-heung.

The work on the Shamshuipo reclamation scheme progressed satisfactorily, the rubble mound and the cement concrete blocks for the section under construction having been completed.

A commencement was made with a reclamation scheme at Cheung Sha Wan in conjunction with the tipping of the refuse collected from the Kowloon Peninsula and Hongkong.

The Kai Tak Land Investment Company made but little progress with their reclamation at Kowloon Bay. The sea-wall of that portion of it acquired by the Government as the site for the new gaol was completed and the entire area filled in to coping level.

The reclamation work which is being carried out by the Standard Oil Company of New York at Lai-chi-kok made good progress.

The marine lot-holders fronting Praya East having in May, 1920, agreed to the terms and apportionment of the reclamation to be carried out by the Government at Wanchai Bay and known as the Praya East Reclamation Scheme, the preparation of the necessary plans and documents was commenced forthwith, and an Ordinance (No. 17 of 1921) to give legal effect to this project became law on the 9th September, 1921. Tenders were invited on the 15th June, 1921, and the lowest one—that of Messrs. Sang Lee & Co.—amounting to $2,766,899·70 having been accepted, an order to begin work was served on them on the 1st November, 1921. The total cost of the scheme to those entitled to participate is estimated at $3,744,319·50.

PIERS.

The Queen Victoria Street ferry pier was practically completed by the close of the year. A contract was let in September for the construction in reinforced concrete of the Public Square Street ferry pier at Yaumati, and another contract was awarded in October for the construction—also in reinforced concrete—of the pier opposite Queen's Statue Square.

A reinforced concrete pier at Cheung Chau (Dumb-bell Island) was completed and opened to traffic.

MISCELLANEOUS.

Two small foot-bridges were constructed, one at Siu Hang near Fanling and the other at Siu Lek Un near Shatin.

"Aga" light towers were erected at the following places:—

Lam Tong Island, Channel Rocks, and Tong Ku Island.

Plans were prepared in connection with the installation of a Wireless Station at Gap Rock, machinery and plant was obtained, and the work of erecting the mast, etc., commenced.

Plans were also prepared for the construction of a water-boat dock to the East of Lai-chi-kok, but the contract for its construction had not been awarded by the end of the year under review.

Considerable progress was made with the hydrographic surveys required by the consulting engineers in connection with the report they are preparing on the development of the harbour.

The total amount expended on Public Works Extraordinary was $3,053,525·11 and on annually recurrent works $938,582·38.

RAILWAY.

The installation of the electric turret clock and 1-ton hour bell was completed in March and the clock started on the 22nd, since when perfect time has been kept.

Three more sidings were laid at Kowloon station as laybys, but these have not yet been connected to the signal cabin.

The old temporary station building at Hung Hom was condemned, and an operating cabin of brickwork substituted, which provides only accommodation for the point levers for the sidings, and living rooms for the staff. This station is closed as a passenger station now but the marshalling sidings remain.

A brick building was erected at the workshops for the installation of three rotary converters and the necessary switchboards, for converting high tension alternating current from the China Light & Power Co.'s supply, to direct current for the workshops motors, etc. The machinery for this purpose was taken over from the company on its vacating its premises adjacent to the locomotive yard and removing to a new site about a mile away. The rotary converters are not, however, of the most economical type and may have to be replaced.

In preparation for the building of the new overbridge to the north of Yaumati station, the embankment was widened and ballast laid later for carrying the necessary railway deviation round the site of the new bridge during construction.

Early in the year new rails were laid through Beacon Hill tunnel (2,403 yards). The time occupied by this work was 30 nights, seven lengths of 36 feet each being renewed each night.

The siding at Shatin station was connected to the loop line at the far end and now forms a second loop which has proved very useful. A low temporary wooden platform of old sleepers was erected between the main line and No. 1 loop.

At Taipo Market station a small open shelter consisting of a tiled roof on reinforced concrete columns has been provided for the convenience of consignors of live pigs and fresh fish while waiting for trains.

At Fanling station the road approach to the goods yard was completed.

Since the train service has necessitated a train being stabled each night at Lowu to form the first inward train in the morning, it has become necessary to provide siding and stabling accommodation at this point. During the year spoil was tipped to form an area for yard and sidings, and work was commenced on a single line running shed 150 feet long of brickwork with a tiled roof. The work, however, was not completed at the end of the year.

The 8-foot span bridge at mile 16½, referred to in my last report, was doubled as proposed, and no fear of further flooding at this point need be anticipated.

The road bed at mile 16 where passing over a band of clay was taken up, drained and reballasted by night work. This place has given much trouble each year, owing to the moist nature of the subsoil during the rainy season.

Many of the steel bridges were given their periodical repainting; the steelwork of the workshop buildings was also gone over, repaired where necessary and painted.

Experiments were made with tar and asphalt surfacing on portions of the Kowloon platforms, and as these have proved successful so far, it is intended to asphalt the whole of the platforms and concourse area.

The rainfall for the year was above the average, a very large proportion occurring in the months of May and June; in fact 43¾ inches, out of a total for the year of 97½ inches, fell in May; the heaviest fall per hour recorded being 3·25 inches. The railway, however, suffered very little damage, which is no small reward for previous expenditure in combating the rainstorms frequently experienced in this country.

There were two or three occasions on which typhoon blows occurred but fortunately none was serious.

A halt station was opened at Ho Mun Tin, mile 2¼, where the local morning and evening trains call for the convenience of a new community which has lately settled at this point, and a temporary platform, built of old sleepers, was provided. This is not an ideal site for a station and will probably not be required when the road trams serve the neighbourhood, as is anticipated will be the case in the near future.

The gross receipts for the year were $603,980·77, as against $520,176·10 for 1920, an increase of $83,804·67, and the balance after paying working expenses stands at $75,989·71.

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*)—HOSPITALS.

Government hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital. There is an Observation Station capable of accommodating 1,500 persons in the event of an outbreak of infectious disease on board a ship arriving in the harbour.

The Civil Hospital contains 170 beds in 21 wards. 4,815 in-patients and 27,322 out-patients were treated during 1921, as against 4,701 and 31,926 respectively in 1920. 399 cases of malarial fever were admitted, as against 243 in 1920 and 218 in 1919. The total cases of malaria for all Government hospitals and the Tung Wa Hospital shows an increase of 339 cases, as compared with the year 1920. The Maternity Hospital contains nine beds for Europeans and eight for Asiatics. 610 confinements occurred during the year, as against 496 in 1920. The Victoria Hospital at the Peak contains 41 beds, and during 1920 213 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 70 cases were treated in 1920, all being infectious.

(*b*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds. 300 patients of all races were treated during 1921 and there were eight deaths.

(*c*)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 330 beds in the buildings and 7,211 patients were accommodated during 1921.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 60 beds and during 1921 32 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hongkong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1921 was 1,681 and the expenditure $52,252·03. The number of labours in the Maternity Hospital was 450. The Government makes a grant of $300 per annum to these hospitals.

To avoid the complete seclusion from friends and relatives, which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four district plague hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee.

The Kwong Wa Hospital for Chinese in the Kowloon peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 70 beds and 4,486 patients were accommodated during 1921. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education, the Hongkong University is also an aided institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government, may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese public dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than nine directors nominated by the Governor.

The actual management is entrusted to a committee elected annually by the members of the society. The society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1921 the number of persons admitted was 355 and at the close of year 42 remained under the care of the society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the mortuary. The dispensaries receive sick infants and send them to one or other of the convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight dispensaries in existence. The total cost of maintenance was $39,505 for the year 1920. The Government makes an annual grant of $7,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—VITAL STATISTICS.

(*a*)—POPULATION.

The civil population of the Colony, according to the census taken on April 24th, 1921, was 625,166, of whom 83,163 reside in the New Territories and in New Kowloon; at the census taken in 1911 it was 456,739 with 104,287 as the figure for the New Territories and New Kowloon. The estimated total population at the middle of the year under review was 686,680, but this includes the New Territories; and as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 585,880, of whom 14,100 were non-Chinese.

The distribution of population estimated to the middle of 1921 was as follows :—

Non-Chinese Civil Community		14,100
Chinese Population—		
City of Victoria (including Peak)	360,000	
Villages of Hongkong	18,360	
Kowloon (including New Kowloon)	120,000	
New Territories	100,800	
Population afloat	73,420	
Total Chinese Population		672,580
Total Civil Population		686,680

(*b*)—PUBLIC HEALTH AND SANITATION.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hongkong during 1911, 1912, and 1913 elected to remain in the Colony.

The birth-rate for the year was 5·68* per 1,000 among the Chinese community and 25·88 per 1,000 among the non-Chinese community, as compared with 3·96 and 19·78 for 1920.

The death-rate for the year was 20·29 per 1,000 among the Chinese community and 18·08 among the non-Chinese civil community, as compared with 22·78 and 17·9 for 1920.

The number of deaths from malaria (332) was the same as for 1920. The deaths of Chinese from this cause in the City of Victoria numbered 142 out of a population of 360,000, or a rate of 0·39 per 1,000 per annum.

The deaths from plague numbered 130 as compared with 120 in 1920.

Small-pox deaths numbered 162; all but two were Chinese.

There were 3,832 deaths from respiratory diseases other than pulmonary tuberculosis, as compared with 3,834 in 1920, and 80 of these were among the non-Chinese community. Pulmonary tuberculosis claimed 1,318 Chinese and 25 non-Chinese victims, whilst other forms of tuberculosis represent an additional 576 deaths, making a total of 1,894, or 15·9 per cent. of the total deaths among the community.

Beri-beri was responsible for 526 deaths, as compared with 361 during 1920 and 555 in 1919. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice, when fresh meat or fresh fish cannot be afforded.

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* This figure is wholly misleading, as it is impossible to register more than a portion of the births.

(*c*)—CLIMATE.

The principal features of the weather in 1921 were :—

(*a*) Heavy rainfall from April 27th to July 6th, during which period 59 inches of rain fell on 59 days ; and a drought from September 9th to the end of the year, when only 1 inch of rain fell.

(*b*) Abnormally low wind velocity in March, increasing gradually to normal in July.

Barometric pressure was considerably above normal in January, July and October, and considerably below in May, June and August. The mean pressure for the year at station level was 29·848 ins., as against 29·814 ins. in 1920 and 29·843 ins. for the past 38 years. The highest pressure was 30·323 ins. on January 14th, as against 30·374 ins. in 1920 and 30·509 ins. for the past 38 years. The lowest pressure was 29·319 ins. on July 24th, as against 29·208 ins. in 1920 and 28·735 ins. for the past 38 years.

The temperature of the air was moderately above normal in February, March, April, August and December and moderately below in January. The mean temperature for the year was 72°·2, as against 72°·0 in 1920 and 71°·8 for the past 38 years. The highest temperature was 92°·2 on August 22nd as against 93°·1 in 1920 and 97°·0 for the past 38 years. The lowest temperature was 44°·0 on February 4th, as against 45°·1 in 1920 and 32°·0 for the past 38 years.

The rainfall was very considerably above normal in May, and moderately above normal in March, August and September. It was considerably below normal in April, October, November and December. The total for the year was 97·340 ins., as against 107·880 ins. in 1920 and 84·620 ins. for the past 38 years. The greatest fall in one civil day was 6·060 ins. on September 3rd and the greatest in one hour was 3·250 ins. between 1.30 p.m. and 2.30 p.m. on May 31st.

The wind velocity was considerably below normal in January, March, April, May and October. In July it was normal and in the remaining months it was slightly below normal. The mean velocity for the year was 10·7 m.p.h., as against 12·0 m.p.h. in 1920 and 12·7 m.p.h. for the past 38 years. The maximum velocity for one hour as recorded by the Beckley Anemograph was 51 miles at 11 a.m. on July 24th, as against 51 miles in 1920 and 108 for the past 38 years. The maximum squall velocity, as recorded by the Dines-Baxendell Anemograph, was at the rate of 69 m.p.h. at 5 h. 53 m. a.m. on September 3rd, as against 61 m.p.h. in 1920 and 105 m.p.h. for the past 12 years.

The climate of Hongkong is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is usually from 3° to 8° lower than at the Observatory, Kowloon. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the S.W. monsoon, being sheltered by steep hills from S.E. to S.W. In winter it is exposed to the N.E. monsoon which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the S.W. side of the Island is protected from the N.E. monsoon in winter and enjoys the benefit of the S.W. monsoon in summer.

IX.—POSTAL AND TELEGRAPH SERVICES.

The total revenue from the Postal Service in 1921 amounted to $644,157·54, being $118,035·46 more than that collected in 1920. The net expenditure amounted to $261,077·84. The balance of revenue over expenditure amounted to $383,079·70.

The revenue collected in 1921 from radio-telegrams amounted to $19,082·98, being $4,491·25 more than that collected in 1920. Advices of vessels signalled at the lighthouses yielded $670·60, and semaphore messages $3·30, making a total of $19,756·88 for the telegraph service. The expenditure amounted to $45,592·19. The number of radio-telegrams forwarded during the year was 2,235 consisting of 30,239 words, and 6,182 received consisting of 82,513 words.

The Peninsular and Oriental Steam Navigation Co.'s contract mail service between the United Kingdom and the Far East was resumed with the despatch of the s.s. "Nellore" from Hongkong on the 21st December, 1921.

A. G. M. FLETCHER,

8th August, 1922. *Colonial Secretary.*

COLONIAL REPORTS, Etc.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1103	Trinidad and Tobago	1920
1104	Turks and Caicos Islands	„
1105	Northern Territories of the Gold Coast	„
1106	Seychelles	„
1107	Ashanti	„
1108	Hongkong	„
1109	British Guiana	„
1110	British Honduras	„
1111	Malta	1920–1921
1112	Uganda	1920
1113	Leeward Islands	1920–1921
1114	Nigeria	1921
1115	Mauritius	1920
1116	Jamaica	1921
1117	Cyprus	„
1118	Weihaiwei	„
1119	Gold Coast	1920
1120	Gambia	„
1121	Gambia	1921
1122	Kenya Colony and Protectorate	„
1123	British Guiana	„
1124	Grenada	„
1125	Zanzibar	„
1126	Northern Territories of the Gold Coast	„
1127	Gibraltar	„
1128	St. Vincent	„
1129	St. Helena	„
1130	Fiji	„
1131	Basutoland	1921–1922
1132	Bermuda	1921
1133	Bechuanaland Protectorate	1921–1922
1134	Barbados	„
1135	Trinidad and Tobago	1921
1136	British Honduras	„
1137	Ceylon	„
1138	Swaziland	„

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate ...	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Visit by the High Commissioner for the Western Pacific.

COLONIAL REPORTS—ANNUAL.

No. 1203.

HONGKONG.

REPORT FOR 1922.

(ABRIDGED.)

(For Report for 1921 see No. 1139.)

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No. 1203

HONGKONG.

ANNUAL GENERAL REPORT FOR 1922.

PREFACE.

The Colony of Hongkong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841; the cession being confirmed by the Treaty of Nankin in August, 1842; and the charter bears the date 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 square miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration.

GENERAL OBSERVATIONS.

An important incident of the year was the visit of His Royal Highness the Prince of Wales who arrived in the Colony in H.M.S. "Renown" on the 6th April. The residents of the Colony of all

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nationalities lent their assistance in giving His Royal Highness a hearty welcome, and various forms of entertainment had been prepared. The weather, however, was disappointing and the Colony, whose beauty lies in her rugged hills, was enveloped in mist the whole period of the visit, and the Peak and surrounding hills were invisible. Notwithstanding the inclement weather His Royal Highness made the most of the time at his disposal and visited all the principal institutions of the Colony.

In the early part of the year difficulties occurred in the Shipping Trade owing to dissatisfaction among the Chinese seamen who put forward a demand for an increase in wages which the shipowners were disinclined to agree to. This resulted in a general strike of all classes of seamen and for some time paralysed the shipping of the port. The strike extended to many other branches of labour and intimidation of those willing to work was resorted to by certain unions. Some inconvenience was caused to the European population by the house servants leaving their employment. After several conferences had been held between the shipowners and the seamen's representatives a settlement was reached by which the conditions of the employment of seamen were put on a more satisfactory basis, and the strike which had lasted for nearly two months came to an end.

Trade generally remained in a depressed state owing to the feeling of unrest which prevailed in the adjacent provinces of South China. Shipments of rice, in particular, which have been an important item in the trade of the Colony, were considerably reduced through facilities being opened up in Siam and Saigon for direct export to the United States of America.

Exchange during the year continued falling. The dollar, which on 1st January stood at 2*s.* 7¼*d.*, at the close of the year had fallen to 2*s.* 2¾*d.*

The development of the Colony during the year still continued and the influx of capital from South China resulted in numerous sales of land for building purposes, and unduly inflated the value of property. So long as China remains in the present unsettled state it is to be expected that the Colony will be made the temporary home of many of the merchants of Canton and other parts of South China.

A serious case of piracy occurred on 19th November on board the s.s. "Sui An" which runs between Hongkong and Macao. On her return journey from Macao a number of Chinese, who had embarked as passengers, held up the steamer, killing two of the Indian guards and wounding the captain and several others. The steamer was taken to Bias Bay, in Chinese territory, where the pirates landed in junks which appeared to be waiting, taking with them a quantity of loot. After they had left the steamer it was brought back to Hongkong by the first officer.

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During the year the Governor, Sir Edward Stubbs, K.C.M.G.. was away from the Colony from 15th June to 18th November, during which time the Government was administered by Mr, Claud Severn, C.M.G.

I.—FINANCES.

The revenue for the year amounted to $22,291,065, being $5,014,805 more than the estimate and $4,562,933 more than the revenue for the previous year.

Compared with the returns for 1921 there were increases under all the heads except Rent of Government Property.

The expenditure, inclusive of a sum of $3,575,635 spent on Public Works Extraordinary, amounted to $18,563,003, being $1,635,977 less than the estimate and $2,823,351 more than the expenditure in 1921. Compared with the estimates there were increases under 13 heads as against 14 heads where there were decreases. The excess, amounting to $1,099,859, under Miscellaneous Services was due to :—

	$ *c.*
University	200,000.00
Transport of Government Servants ..	119,891.97
Visit of H.R.H. Prince of Wales	127,105.10
Expenses of Strike	59,394.37
Food Control Expenses	55,371.98
Loss on Subsidiary Coins	393,818.26
	$955,581.68

Military Expenditure exceeded the estimate by $355,260, due to increase in revenue. Imports and Exports Department shows a saving of $80,044, due to less purchase of Opium, and Public Works Extraordinary was less by $3,035,664 than the amount estimated.

The balance to the credit on the year's working was $3,728,062, and the assets and liabilities account showed on 31st December a credit balance of $12,658,642.

The following is a statement of the revenue and expenditure of the Colony for the five years 1918–1922 :—

	Revenue. $	*Expenditure.* $
1918	18,665,248	16,252,172
1919	16,524,975	17,915,925
1920	14,689,672	14,489,594
1921	17,728,132	15,739,652
1922	22,291,065	18,563,003

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £399,591. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000, and there are the sums of $906,699 and £93,657 at credit of the Sinking Fund.

During the period 1913–1922 the assessment of the whole Colony has risen from $12,435,812 to $19,805,929, an increase in rateable value of $7,370,117.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows :—

Hongkong & Shanghai Banking Corporation	$34,974,774
Chartered Bank of India, Australia, & China	11,239,602
Mercantile Bank of India, Limited ..	1,364,413
	$47,578,789

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins less those demonetized now amounts to $18,789,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 10 cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetizing all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $21,235,459 has thus been redeemed. The total issue by the Hongkong Government was of the face value of about $44,000,000.

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(*a*.)—SHIPPING.

The total of the shipping entering and clearing at ports in the Colony during the year 1922 amounted to 708,244 vessels of 46,566,764 tons, which, compared with the figures for 1921, shows an increase of 35,564 vessels, with an increase of 3,145,994 tons.

Of the above, 50,427 vessels of 29,543,564 tons were engaged in foreign trade, as compared with 52,222 vessels of 27,852,616 tons in 1921.

Of vessels of European construction, 5,318 ocean steamers, 3,552 river steamers, and 3,243 steamships not exceeding 60 tons, entered during the year, giving a daily average of 33·2 ships, as compared with 33·8 ships in 1921 and 29·4 ships in 1920.

The average tonnage of individual ocean vessels entering the Port has increased from 1,919·8 to 2,068·6 tons, that of British ships has increased from 1,997·5 to 2,131·0 tons, while that of foreign ships has increased from 1,857·9 to 1,957·7 tons.

The average tonnage of individual river steamers entering during the year has increased from 460·5 to 598·8 tons.

That of British river steamers has increased from 570·5 to 822·8 tons, and that of foreign river steamers has increased from 316·7 to 318·9 tons.

In steamships not exceeding 60 tons employed in foreign trade, there is a decrease of 167 ships, with an increase in tonnage of 4,636 tons or 12·9 per cent. in numbers and 0·6 per cent. in tonnage. This is due to larger launches employed in Foreign trading and a number of small launches being laid up owing to the unsettled state of Canton where many small launches were commandeered by the armies.

Junks in foreign trade show a decrease of 1,370 vessels and a decrease of 583,639 tons or 51·9 per cent. in numbers and 9·9 per cent. in tonnage. This is due to a number of junks being held up during the Seamen's Strike.

In local trade (*i.e.*, between places within the waters of the Colony) there is an increase in steam-launches of 42,168 and an increase of 1,729,438 tons or 7·1 per cent. in numbers and 12·2 per cent. in tonnage. This is due to a greater number of launches being employed in towing and transporting workmen and material for reclamation work.

Junks in local trade show a decrease of 4,809 vessels and a decrease of 274,592 tons or 12·6 per cent. in numbers and 2·5 per cent. in tonnage. This is due to a number of junks being laid up during the Seamen's Strike.

There was a decrease in British ocean-going shipping of 83 ships or 9·0 per cent. and an increase of 441,694 tons or 32·8 per cent. This decrease in ships is due to the number of ships being laid up during the Seamen's Strike. The increase in tonnage is due to large vessels frequenting the Port, also to new locally-built vessels.

British river steamers have decreased by 876 ships with an increase in tonnage of 211,933 tons or 9·7 per cent. in numbers and 12·6 per cent. in tonnage. This decrease in ships is due to ships being laid up during the Seamen's Strike. The increase in tonnage is due to the "Wah Kuei" and "Tin Sing" which were laid up, being again put on the run, and the 'tweendeck space measurement being included in the tonnage.

Foreign ocean-going vessels have increased by 266 ships with an increase of 1,463,698 tons or 12·1 per cent. in numbers and 41·6 per cent. in tonnage. This increase is due to more and larger American vessels, also German vessels, now visiting the Port.

Foreign river steamers show an increase of 434 ships with an increase in tonnage of 152,627 tons or 4·4 per cent. in numbers and 2·5 per cent. in tonnage. This increase is due to the "Hui Hoi," "Taion," and "Wo Fu," which were originally steam lighters being converted into river steamers. The increase in tonnage is due to the above-mentioned vessels and the 'tweendeck space measurements being included in the tonnage.

The actual number of individual ocean-going vessels of European construction during the year 1922 was 1,092, of which 410 were British and 682 foreign. In 1921 the corresponding figures were 988, of which 343 were British and 645 foreign.

These 1,092 ships measured 3,202,516 tons. They entered 5,318 times and gave a collective tonnage of 11,000,748 tons.

Thus 104 more ships entered 86 more times and gave a collective tonnage greater by 956,326 tons, an average of 11,120·0 tons per entry.

TRADE.

Detailed and accurate statistics of imports and exports are collected and published by the Imports and Exports Department.

OPIUM.

Four hundred and seventy-one (471) chests of Persian opium were imported during the year; 471 chests were exported to Formosa.

Six hundred and five (605) chests of uncertificated Indian opium were imported; 475 chests for the Macao opium farmer, and the remaining 130 chests for the Government opium monopoly.

The table below shows the total imports and exports since 1914:—

	1922. Chests.	1921. Chests.	1920. Chests.	1919. Chests.	1918. Chests.	1917. Chests.	1916. Chests.	1915. Chests.	1914. Chests.
Stock in hand on 1st January ..	226½	329	329	253	799½	977½	1,303½	2,256½	4,580½
Imported during the year ..	1,076	658	1,525½	1,290	1,259	1,657	1,706	1,873	3,059½
Total ..	1,302½	987	1,854½	1,543	2,058½	2,634½	3,009½	4,129½	7,640
Boiled by Opium Farmer ..	—	—	—	—	—	—	—	—	36
Boiled by Government ..	311½	200½	225	377	539	352	365	340	413
Spurious Opium destroyed ..	—	—	—	—	1	13	—	17	19
Used locally ..	—	—	3	—	—	—	—	—	—
Missing or stolen	—	—	—	—	—	1	—	—	4
Sold to Government ..	—	12	—	—	—	—	—	—	—
Exported during the year ..	946	548	1,297½	837	1,265½	1,469	1,667	2,469	4,911½
Total ..	1,257½	760½	1,525½	1,214	1,805½	1,835	2,032	2,826	5,383½
Stock remaining on 31st December	45	226½	329	329	253	799½	977½	1,303½	2,256½

Emigration and Immigration.

Ninety-eight thousand three hundred and ninety-three (98,393) emigrants left Hongkong for various places during the year 1922 (156,011 in 1921). Of these, 52,638 were carried in British ships and 45,755 in foreign ships.

One hundred and forty-three thousand five hundred and forty-seven (143,547) returning emigrants were reported to have been brought to Hongkong from the several places to which they had emigrated either from this Colony or from coast ports, as against 159,064 in 1921. Of these, 85,057 arrived in British ships and 58,490 in foreign ships.

(*b*.)—INDUSTRIES.

(i.)—*Under European Management.*

Engineering and Shipbuilding.—The figures are as follows for the year 1922 :—

H.K. & Whampoa Dock Co., Ld. ..	6 vessels of	11,842 gross tons and	7,300 i.h.p.
Taikoo Dockyard & Eng. Co., Ld. ..	7 ,,	11,087 ,,	,, 8,550 ,,
W. S. Bailey & Co., Ld.	3 ,,	174 ,,	,, 340 ,,
Kwong Hip Lung Co., Ld.	2 ,,	48 ,,	,, 144 ,,
A King	2 ,,	29 ,,	,, 260 ,,
Kung Tuck Cheong	1 ,,	88 ,,	,, 400 ,,
Tong Lee	1 ,,	41 ,,	,, 80 ,,
Total	22 vessels of	23,309 gross tons and	17,074 i.h.p.

Sugar.—The year 1922 saw many fluctuations in price, but on the whole was an uninteresting period. We still look for a more satisfactory state of affairs when normal production and consumption definitely returns. Trade in China was bad owing to the political unrest.

Yarn.—The yarn trade during 1922 was very unsatisfactory from the point of view of importers, but the local dealers are said to have closed the year on a profitable basis.

The total quantity of yarn imported into the colony during the year amounted to 120,000 bales and 14,000 bales were brought forward from the previous year.

Clearances totalled 110,000 bales and the carry over for 1923 amounted to 24,000 bales.

Cotton.—Middling American cotton was quoted in Liverpool at the commencement of the year at 11·69*d*. The rate declined gradually, reaching lowest point for the year on 6th February, 9·6*d*. A reaction set in and advances were reported until 13·60*d*. was reached on 16th June. During the latter half of June, July, August, September it fluctuated between that figure and 12·20*d*., which was reached on 29th September.

The official reports issued at the commencement of October indicated a prospective shortage and prices advanced rapidly until 15·60*d*. was reached on the 10th November. A slight drop was then registered, and during the last six weeks various rates were quoted between that figure at 14·56*d*. with 15·29*d*. as the final rate for the year.

Rope Making.—For the first part of the year the demand was fairly good and prices for raw material were low, but towards the close of the year the Manila hemp market steadily advanced and prices for rope were correspondingly increased and the demand was checked. The prospects of business for the new year are therefore rather unfavourable, but, on the other hand, the fall in the sterling value of the dollar will to some extent offset the increased cost as far as exports to gold-using countries are concerned.

Cement Manufacture.—There was a strong demand for cement throughout the year, but very severe competition was experienced in all markets, due to the importation of cheap cement from Europe, which necessitated prices being reduced to an absolute minimum. The actual turnover locally was much the same as last year.

(ii.)—*Under Chinese Management.*

Tin.—Business was fairly good and United States bought freely and dealers were given an opportunity of clearing somewhat large surplus stocks carried over from 1921. The comparative table is as follows :—

Imports.	1921. *Tons*	1922. *Tons*	*Exports.*	1921. *Tons*	1922. *Tons*
From Straits ..	700	47	To United Kingdom	2,000	863
,, China ..	8,250	8,566	,, United States	1,000	7,043
			,, China	2,100	2,878
			,, Japan ..	1,000	1,271
Total ..	8,950	8,613	Total ..	6,100	12,055

Native Tobacco.—Very little business done during the year and total exports are estimated at £471,252, as compared with £513,478 in 1921.

Leather and Hides.—Returns in these lines are as follows :—

For 1922.			*For* 1921.		
Buffalo—piculs		6,714	Buffalo—piculs		11,243
Cow	,,	58,642	Cow	,,	54,911
Goat	,,	2,126	Goat	,,	6,254
Sheep	,,	1,388	Sheep	,,	615

Very few hides arrived from Kwangsi on account of continued trouble in the interior.

Ginger and Preserves.—A considerable increase in this line is reported, exports for 1922 being £206,099 as compared with £149,093 for 1921.

Soy.—An increase is also reported in this line, returns showing £61,447 as against £50,639 for 1921.

Chinese Paper.—A decrease took place, exports being put at 48,058 piculs, whereas in 1921 61,725 piculs were done.

Vermilion.—Very little business done. £110,063 were done in 1922 as against £124,410 for 1920.

Lard.—Demand from abroad very poor, and returns show decrease, being piculs 61,208 as compared with 80,223 for 1921.

Tinned Goods.—Business remains about same as previous year.

Shamshoo.—Returns show decrease on year's trading. £112,215 were done in 1921, current year is estimated at £86,371.

Vinegar.—About same as previous year.

Knitted Vests and Socks.—Some export business done, but the interior troubles hit this trade badly and one or two factories suspended business.

Rattan and Fibre Furniture.—Returns show an improvement on 1921 when £142,107 was done, whereas current year figures is estimated at £165,846.

(*c.*)—FISHERIES.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh-water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(*d.*)—FORESTRY, AGRICULTURE, AND BOTANY.

Formation of Pine Tree Plantations.

On the hills adjoining Tai Wo Po, 5,000 one year old trees of *Pinus massoniana* were planted.

Pine seeds were sown *in situ* at the following places—16,590 at Little Hongkong, 3,470 at Mount Davis, 59,725 at Ngau Chi Wan and 49,670 at Tytam Tuk. Failures of seeds sown *in situ* at Cheung Chau and Fanling were replaced.

On the turfed banks below Taipo and Tsin Wan Roads, 40 lb. of Pine seeds were sown broadcast.

One hundred and sixty-seven trees, one year old, of *Pinus massoniana* were added to the small plantation at the Water Police Station, Tsim Sha Tsui.

Broad-leaved Trees Planted.

Shade and flowering trees used for roadside planting were *Melia azedarach, Bischofia javanica, Ficus infectoria, Cassia fistula, Tristania conferta, Aleurites triloba, Albizzia lebbek, Poinciana* *regia, Erythrina indica, Bauhinia variegata, Paulownia fortunei, Celtis sinensis, Melaleuca leucadendron* and *Cinnamomum camphora.* These were made use of in the following positions : Wongneichung Gap Road 233, Wongneichung Gap to Deep Water Bay 358, Magazine Gap Road 247, Wanchai Gap Road 571, Severn Road 32, Lugard Road 47, Garden Road 3, Peace Avenue, Ho Mun Tin 72, Argyle Street 72, Jordan Road 45, Gascoigne Road 97, Chatham Road 106, Lai Chi Kok Road 30, Nathan Road 3, Reclamation Street 7, Taipo Road 290, Fanling Road 8, Aucau Road 87, and in the vicinity of Shum Shui Po Market 22.

A number of trees of *Aleurites montana* were tried for the first time as a shade tree in Salisbury Road, Kowloon.

Seventy-nine trees, one year old, of " Jak " (*Artocarpus integrifolia*) were planted in the vicinity of Aberdeen Reservoir.

Care of Trees in Plantations.

A regular inspection of all planted and native trees was carried out throughout the year.

Pine tree caterpillars made their appearance, fortunately in very small numbers, on the island and in Kowloon ; one plantation adjoining Fanling Golf Course was badly infested with these pests, and as soon as they could be detected all were collected and destroyed, the total weight of those dealt with being 4,667 lb.

Loranthus and creepers were regularly removed from trees on roadsides and in plantations.

Camphor trees, a large percentage of which are regularly attacked by white ants during the dry season, were treated with carbolineum.

Twenty miles of fire barriers were cleared in the mainland and 17 on the island ; these barriers on many occasions proved most useful in checking large fires.

Removal of Trees.

In connection with the sale of building lots, formation of new and widening of existing roads, reclamations and other public works, very large numbers of Pine and wild trees and a small number of large roadside trees were removed.

A number of very fine specimens of *Pinus massoniana,* probably the largest on the island, were removed from the site of the new Queen's College at Sokonpo.

Trees were removed from Bonham Road, Victoria Road, Kennedy Road, Pokfulam Road, Repulse Bay Road, Deep Water Bay Road, Queen's Road East and Central, Taipo Road and Wongneichung Road.

At Lai Chi Kok and Fo Pang Hang large numbers of *Pinus massoniana* were removed to allow for the removal of soil for reclamation work and for the formation of a cemetery.

The most noticeable tree-felling on the island has been that on Morrison Hill, where large sections of native trees have been removed to allow for the removal of rocks and soil in connection with harbour reclamation work.

Clearing of undergrowth in connection with anti-malarial measures was maintained throughout the whole year, the total area cleared amounted to 8,340,610 sq. ft., while the total area cleared for surveys by P. W. D. was 3,990,000 sq. ft.

Nurseries, Agriculture, etc.

Five thousand Camphor trees were raised in the new nursery at Little Hongkong. These will be used for replanting on the site of the adjoining old forest, which is composed of trees of little value and which are now being felled and removed.

Three hundred pounds of seed of *Pinus massoniana* and 65 lb. of Camphor seed were collected during the year.

The first rice crop was very good, the second crop and peanuts were fair, and sugar-cane and pineapples very good.

Vegetables and native fruits were grown in the experimental garden at Fanling for demonstration purposes.

Six thousand nine hundred and ninety-six packages, containing 885,000 bulbs of *Narcissus tazetta*, were inspected and certified for export.

A hundred sheets of new Australian specimens and a small number collected locally were mounted.

Specimens of local plants were identified when brought in by visitors to the Colony or local collectors.

A large number of specimens of Chinese medicinal herbs were forwarded by the Department of Agriculture, Vancouver. These were all identified and named and all available information concerning the specimens forwarded to the Department.

(*e.*)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown land and pier rights, New Territories excepted, for the year 1922 was $2,544,225.53, an increase of $952,917.27 on the preceding year, and $2,033,067 more than the average for the previous five years (1917–1921). This result is due not so much to one or two large items like last year, though large figures have been realized in one or two instances, as to a keen competition amongst the Chinese for most of the lots sold.

The principal items were $206,000 for Inland Lot No. 2366, $110,000 for Inland Lot No. 2409, $108,600 for Inland Lot No. 2407, $91,500 for Inland Lot No. 2382, $50,000 for Kowloon Inland Lot No. 1462, $33,700 for Kowloon Inland Lot No. 1441, $33,470 for Kowloon Inland Lot No. 1483 and $30,000 for Rural Building Lot No. 200.

In the New Territories the net amount received for premium on sales of land was $173,054.79, the principal items being $70,000 for New Kowloon Inland Lots Nos. 370 and 371, $12,100 for New Kowloon Inland Lot No. 350, and $11,603 for New Kowloon Inland Lot No. 364, being $87,463.78 more than the year 1921.

The number of deeds and documents registered in the Land Office was 4,146, rather less than last year which was a record year; the aggregate consideration set out in deeds registered was $107,392,435.38 as against $107,855,703.10 in 1921.

Resumptions include Kowloon Farm Lots Nos. 49 and 51 and a number of Agricultural Lots at Kau Pui Shek, all of which were required for development purposes.

Development at Shamshuipoo continues.

The total area of land sold or granted during the year was 243*a*. 2*r*. 26¾*p*., of which 152*a*. 2*r*. 0*p*. were dealt with by the District Officers. The total area of land resumed was 102*a*. 3*r*. 17*p*.

In the New Territories, although the acreage disposed of was considerably less than during 1921, the prices realized showed an upward tendency in both Districts, the chief feature in the Northern District being the high prices paid for building sites on the reclamation at Taipo Market which realized from 50*c*. to $1 per square foot, whilst in the Southern District some big prices were paid for Inland lots at New Kowloon.

III.—LEGISLATION.

Twenty-five (25) Ordinances were passed during 1922, of which 12 were amendments of previous Ordinances.

The most important matters with which these Ordinances dealt were :—

The Treaty of Peace (No. 1)—The object of which was to modify certain provisions of the Treaty of Peace Order, 1919, the Treaty of Peace (Austria) Order, 1920, the Treaty of Peace (Bulgaria) Order, 1920, and the Treaty of Peace (Hungary) Order, 1921, as amended, for the purpose of adapting the provisions of the said Orders to the circumstances of the Colony.

The Police Supervision (No. 4)—The object of this Ordinance was to provide for police supervision of certain persons. It was found desirable that, with a view to preventing crime, the police should be empowered to supervise persons convicted of serious offences and also of persons believed to be bad characters.

The Emergency Regulations (No. 5)—This Ordinance was passed with a view to giving the Governor in Council, in case of emergency or public danger, power to make such regulations as may appear desirable in the public interest.

The Supreme Court (Original Jurisdiction) Emergency (No. 7) —This was to empower the Chief Justice, as necessity may require, to appoint temporarily solicitors to conduct cases in the Original Jurisdiction of the Supreme Court.

The Registration of Imports and Exports (No. 12)—The object of this Ordinance was to simplify the collection of trade statistics, and at the same time to remove some of the formalities which inconvenienced the import and export trade.

The Rents (No. 14)—This Ordinance was passed in order to extend temporarily the provisions of the Rents Ordinance, 1921, with certain amendments.

The Industrial Employment of Children (No. 22)—The object of which was to carry out, so far as possible, the recommendation of the Commission on the Industrial Employment of Children which was appointed by H.E. the Governor on the 24th March, 1921.

IV.—EDUCATION

No important changes have taken place in the Education Department during the year under review. The staff, depleted by causes due to the war, is being gradually brought up to normal strength again.

The total number of pupils at schools in the Colony, excluding the Police School and the uncontrolled schools in the New Territories are :—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools	3,582	19	3,601
Military Schools	131	—	131
Excluded Private Schools ..	345	12	357
Grant Schools	2,770	948	3,718
Controlled Private Schools ..	6,407	20,120	26,527
Controlled Private Schools, New Territories.	—	4, 385	4,385
Technical Institute	495	—	495
Total	13,730	25,484	39,214

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance now housed in a new building presented to the Colony by Sir Ellis Kadoorie. *Kowloon School* and *Kowloon Junior* and *Victoria Schools* for children of British parentage have an average attendance of 183. There is also a school for the children of the Peak District with an average attendance of 50. The *Diocesan School and Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French,* and *St. Mary's Convents,* and the *Diocesan Girls' School,* are the most important of the English Grant Schools for girls.

The Hongkong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1922 in Building Construction, Machine Drawing, Mechanics, Chemistry (Practical and Theoretical), Physics, Electricity, Commercial English, French, Shorthand, Book-keeping. Classes for men and women teachers, both " English " and " Vernacular," are a feature of the Institute.

The lecturers are recruited from the members of the Medical and Educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well-equipped Chemical Laboratory and excellent Physical apparatus.

The University of Hongkong, incorporated under the local University Ordinance, 1911, and opened in 1912, is a residential University for students of both sexes for the promotion of Arts, Science and Learning, the provision of higher education, the development and formation of the character of students of all races, nationalities, and creeds.

The late Sir Hormusjee Mody bore the entire expense of the erection of the main building, and additions have been made through the liberality of benefactors of varied nationality and domicile.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a five-year course of study in the usual pre-medical and medical sciences, supplemented by clinical work in the Government Civil and Tung Wah Hospitals, leading to the degree of M.B., B.S. The degrees of M.D. and M.S. may be obtained for post-graduate work. The degrees above-mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four-year course in practical and theoretical engineering, leading to the degree of B.Sc. (Eng.). Fourth-year students specialize in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc. (Eng.).

The Faculty of Arts includes departments of pure Arts and Science, Education (including practical teaching) and Commerce. The course is in all cases one of four years, and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to better securing the maintenance of the desired standard—which in the Faculty of Medicine is that of an English University degree and in the Faculty of Engineering that of the corresponding degree in the University of London—external examiners are, in all Faculties, associated with the internal examiners in all annual and final examinations. In the Faculty of Engineering, but not in other Faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D. is also granted, *honoris causa.*

The site of the University was given gratuitously by the Colonial Government. As subsequently enlarged by minor grants and by purchase, it includes an area of some 25 acres, looking out upon the harbour over the City of Victoria.

In the main buildings are housed the Chemical, Physical and Biological Laboratories, the University Library and portions of the Engineering Laboratories. They further include a Great Hall, a Senate Room and the Lecture and Class Rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of Anatomy, Physiology, Pathology and Tropical Medicine, erected at the cost of Chinese gentlemen resident in the Colony. In the case of each of the three schools last mentioned a larger or smaller sum still remains available for further equipment.

Special engineering buildings include :—

(*a*) a Power Station, generating light and power for the estate, energy being supplied by internal combustion engines of varied types which are available for instructional purposes ;

(*b*) a Prime Movers (steam) and Hydraulics Laboratory, at present housed in a converted Pumping Station, formerly the property of the Government ; and

(*c*) a Workshop, including a small machine-shop, smithy and carpenter's shop.

Electrical machinery (other than the main generating plant), electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include :—

(*a*) the Vice-Chancellor's Lodge,

(*b*) Staff-Quarters,

(*c*) the residential Hostels, and

(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's " manner of life is not such as is catered for in the hostels), every matriculated student is required to reside either in a University or in a recognised Hostel.

The University Hostels are three in number—Lugard Hall, Eliot Hall, and May Hall.

Recognised Hostels are at present two in number—Morrison Hall, situate immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual Common rooms. Each University Hostel is in charge of a member of the staff, as resident Warden.

No University Hostel at present exists for women students—whose right to admission to the University was first recognised in 1921—but, by the courtesy of the school authorities, arrangements have been made for their lodging in connection with St. Stephen's Girls' College.

University fees for tuition and board amount to $550 per annum, enabling a student who lives carefully to meet the whole of his expenses with a sum of $1,000 per annum, as compared with a minimum sum of $2,500 per annum, besides travelling expenses, in the case of a Chinese student going abroad for his education.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government, the President's Scholarships founded by His Excellency the President of China, together with Scholarships (some of which are in the nature of bursaries) given by the Hongkong Government, the Chinese Government, the Metropolitan District of Peking, the Provincial Governments of Canton, Chihli, Yunnan and Hupeh, the Governments of the Straits Settlements and the Federated Malay States, the Government of Kedah and the Siamese Government. Students are also drawn from the Philippines, French Indo-China and Australasia.

During 1922 honorary degrees were conferred upon His Royal Highness the Prince of Wales, Sir Charles Addis, K.C.M.G., and the late Mr. E. H. Sharp, K.C., a member of the Governor's Executive Council. A benefaction of $500,000 was received from the Rockefeller Foundation for the foundation of full-time Chairs in Medicine and Surgery. The complete scheme includes a grant of a further sum of $250,000 for a full-time Chair of Obstetrics and Gynaecology, and provides for the creation of complete medical units for the teaching of the three subjects in the Government Civil Hospital. The University is to make provision out of its own funds for assistants to the professors of Anatomy, Physiology and Pathology, and it is desired to erect a Hostel for medical students in proximity to the hospital. Eight scholarships of $200 each were founded by the China Medical Board for medical students who shall have carried out their pre-medical studies at the Canton Christian College, the University undertaking to remit fees to the extent of $100 a year. A sum of $10,000 was presented to the University Union by the Hon. Sir C. Paul Chater, Kt., C.M.G., for the foundation of a Library in memory of the late Dr. Jordan, formerly Pro-Vice-Chancellor and Acting Vice-Chancellor in the University. A sum of $5,000 was collected for the extension and partial re-turfing of the Athletic Ground. An appeal was issued in the course of the year asking for a sum of from four million to five million dollars for the general purposes of the University.

The total cost of the land, buildings, and equipment of the University may be placed at approximately $1,750,000 and their replacement value at not less than $2,500,000, while the invested endowments exceed $3,000,000.

V.—PUBLIC WORKS.

BUILDINGS.

During the year under review the following works made fair progress: The Senior Officers' Quarters on the Homestead Site at the Peak, and at Leighton Hill, the former under Messrs. Little, Adams and Wood, and the latter under Messrs. Denison, Ram and Gibbs; and the new offices for the Public Works Department. Good progress was made with the following works: In Hongkong—foundations of the new Fire Brigade Station, opposite the Central Market; Maternity Block and alterations to the Sister's Quarters, Victoria Hospital; site formation for the new Queen's College Building; and the Miniature Rifle Range at the Hongkong Volunteer Defence Corps Headquarters. In Kowloon—new Police Stations at Yaumati and Mongkoktsui; and the underground Seismograph Room at the Royal Observatory. The undermentioned works were completed: In Hongkong—additions and reconstruction of the kitchen and garage blocks at Government House; Outpatients' Department, Government Civil Hospital; Quarters for Scavenging Coolies, Belchers Street; temporary school for Chinese Boys, Morrison Gap Road; Married Quarters for Police, Caine Road; Gardeners' Quarters, Colonial Cemetery; accommodation for Chinese Linesmen at Cape D'Aguilar Wireless Station; and various Public Conveniences. In Kowloon—extension to the Fire Brigade Station; new class rooms at the Kowloon British School; and various Public Conveniences. In the New Territories—the Land Bailiffs' Quarters, Ping Shan, and the Clerks' Quarters, Taipo. Other smaller works of minor importance were also accomplished. The reconstruction of certain sheds at Laichikok for purposes of a prison was nearing completion.

COMMUNICATIONS.

The second and third miles of the road from Taitam Gap to Shek O and Cape D'Aguilar ; the extension of the road contouring the hillside in Wongneichong and Tai Hang Valleys ; and the diversion of the road leading from Pokfulam Road to Victoria Road were completed. Broadwood Road was extended to connect with the new Motor Road contouring Wongneichong Valley.

Substantial progress was made with the undermentioned works: Improving and widening road through Quarry Bay Village ; a low level road (25 feet wide) from Island Bay to Big Wave Bay and another of equal width to effect a junction with it, and link up the third mile with Shek O Gap ; and the first section of the road contouring the hillside above Conduit Road.

Fair progress was made with the extension of the 20-foot road from Magazine Gap to Peak Tram Station, Chamberlain Road.

In connection with improvements to Kennedy Road, the portion of this carriageway to the West of the Magazine was diverted and formed to a minimum width of 25 feet, and No. 1 Bridge near the junction with Garden Road was widened to 30 feet.

Mention may also be made of improvements being carried out to Bonham Road, Pokfulam Road, and Conduit Road.

In Kowloon, the first section of the Kowloon City to Mongkoktsui Road was completed, but the cutting in connection with the second section progressed slowly, owing to the large quantities of rock encountered.

Good progress was made with the cutting for the extension of Argyle Street to its junction with Waterloo Road, and that for the section between the latter road and the Kowloon Boundary in connection with its extension.

Owing to heavy rock cutting, the progress in connection with the extension of Coronation Road northwards through the hill (formerly K.F.L. 11) was considerably delayed, but by the end of the year a temporary road was available, connecting this road with Taipo Road.

Fair progress was recorded in connection with the Taipo to Shun Wan Road, and the Patrol Path from Sheungshui to the Frontier.

The work of metalling and tar-painting hilly portion of Laichikok-Castle Peak and Taipo Roads was continued during the year.

DRAINAGE.

A contract was let for extending the Mongkoktsui Nullah east through the railway bridge and the excavation for foundations were well in hand. The Mongkoktsui Nullah was extended to the boundary of Old Kowloon and completed in July.

The training and diversion of the large stream course to the east of Laichikok was completed.

WATER WORKS.

A contract was let in April for the construction of the Eastern District Filter Beds and a commencement made at once with the work. Fair progress was made by the end of the year.

After consideration and upon the advice of the Consulting Engineers to the Crown Agents, it was decided to order one steam pumping unit for the additional plant in connection with the Taitam Tuk Scheme.

With regard to the Pokfulam Road Station, the extension to the engine house was completed, a new boiler house erected, and the installation of the pumping plant completed.

Work was commenced in connection with the Distribution System for Lower Wanchai Gap District, and that for the Repulse Bay was extended so as to serve the lots situated near Deep Water Bay.

In Kowloon, a considerable amount of work was executed in enlarging mains with a view to improving the distribution system there, and two new filter beds and a gauge basin were added near Laichikok.

Preparatory work in connection with the new Shek Lai Pui Reservoir was proceeded with, and a considerable amount of investigation work connected with the Shing Mun Scheme was also effected.

The Taipo Water Supply Scheme proceeded satisfactorily. The original scheme for a water supply at Fanling was completed in 1921, and the extension thereto was commenced in July and finished in September, 1922.

RECLAMATIONS.

The Reclamation Scheme at Aplichau was completed.

Good progress was made with the Praya East Reclamation Scheme, and the filling in of the Tidal Flat and the cutting down of the hill between Taikoktsui and Fuk Tsun Heung.

Steady progress was also made with the further reclamation work at Shamshuipo, and in connection with a scheme of reclamation at Cheung Sha Wan.

Work was continued on certain private reclamation works, and, in the case of the Kai Tak Land Investment Company, some further progress was made.

PIERS.

The reinforced concrete pier opposite Queen's Statue was completed, and tenders were invited for the structural steel roof and facade to the Praya.

The work of constructing a reinforced concrete roof over part of the Ferry Pier opposite Queen Victoria Street was completed.

The Ferry Pier at Public Square Street, Yaumati, was also finished, with the exception of the depositing of concrete to form the decking.

The work of constructing a reinforced concrete pier opposite Wing Wo Street was not proceeded with.

MISCELLANEOUS.

In connection with the visit of H.R.H. the Prince of Wales, the principal Government Buildings were decorated and illuminated at night, and general assistance was rendered by the Department wherever required to carry into effect other schemes of decoration.

The seamen's strike which commenced in January culminated in a general strike, in consequence of which certain officers of the Department were engaged on emergency work which was executed in a very efficient manner.

The erection of the Wireless Station at Gap Rock was completed.

The Diaphone Fog Signalling Plant was installed at Waglan.

The work of substituting underground cables for the aerial wires in the Government Telephone System in the central part of the City was well advanced by the end of the year.

In connection with the Hydrographic Surveys with a view to harbour development, the work of taking borings and prickings was completed.

With a view to revising, consolidating and co-ordinating the various schemes of development prepared in the past, a Committee was formed to deal with town planning. Many meetings took place and a large number of maps and plans were prepared, and a model of the Kowloon Peninsula (scale 200′ to 1 inch) was made.

A contract was let for the construction of a water-boat dock at Laichikok.

The total amount expended on Public Works Extraordinary was $3,575,635.19, and on annually recurrent works $1,074,646.30.

RAILWAY.

The platforms at Kowloon Terminus were surfaced with a composition of asphaltum, sand and cement on a foundation of rolled ballast. Similar surfacing was laid throughout the concourse area and approaches in substitution of wooden blocks which were found to be both unsatisfactory and insanitary.

This work was carried out by the Public Works Department.

Water was laid on to the platforms and concourse area at several points for washing down purposes.

The kitchen accommodation of the 1st class Restaurant was extended by altering the arrangement of the back staircase and utilising the space below to form a commodious pantry. Gas cookers were installed in substitution for the coal-burning range, and new kitchen furniture was provided.

Owing to the increasing difficulty in obtaining quick and accurate messages between Kowloon and Canton, through telegraphic communication has now been established by laying a telegraph line between Kowloon Station and Shum Chun Station, thus connecting with the Chinese Section's telegraph line.

Previously all messages had to be telephoned over the British Section.

At the workshops at Hunghom an Oil Fuel Depot was installed for serving the motor coaches.

The three sidings to the east of the new carriage shed were extended 500 feet each, and a crossover road laid between two, to facilitate repairs and cleaning of rolling stock.

A contract was let for the building of a second bay to the new carriage shed, which will accommodate two more trains of 500 feet each, and it is anticipated that the shed will be completed by May, 1923.

During the year the premises of the China Light and Power Co., which adjoined the Locomotive Yard, were acquired by the Railway Department, together with the buildings thereon. The tall chimney stack, for which no use could be found, was razed. The buildings formerly used as offices and staff quarters were renovated, and the first floor is now used as quarters for the Traffic Inspector, while the basement serves as a store. A contract was entered into for converting the remaining buildings into workshops and stores for railway purposes. The boiler house was utilised as a general repair shop for Government motor vehicles, such as cycles, cars, fire engines, lorries, road roller, etc., a painting shop being provided on one side. The engine house was converted into a general store and store offices, the old store accommodation being inadequate for present railway requirements. Eight lock-up garages were provided, also a timekeeper's office. This contract was nearly completed at the end of the year.

Work on the construction of the over bridge to the north of Yaumati Station (Bridge No. 7) was delayed until the arrival of the steelwork, which was over-carried owing to the seamen's strike. The main line was deviated round the side of the new bridge, and traffic diverted without any interference. The masonry abutments and piers, with the exception of the west wings, which are situated under the deviation, were built in trenches, and were nearly up to bedstone level at the close of the year.

Considerable attention was given in collaboration with the Town Planning Committee to future railway requirements, and reservations of land likely to be required later for branch lines and stations were decided upon. Surveys for the junctions of two probable branch lines were made, and centre lines staked out.

The new station building for Sheung Shui Station, for which provision was made in the estimates, was not undertaken. An alternative proposal whereby the long grade of 1 in 100 would be reduced to 1 in 250 and a new station built in substitution for both Fanling and Sheung Shui was considered, but the project is still in abeyance.

At Lowu the 150-feet brick running-shed mentioned in the last report was completed and sidings laid, a small reservoir was also made and water supply installed.

On the Fanling Branch Line the old engine-shed at Fanling Station was rebuilt, and a new one was erected at Sha Tau Kok. The old steelwork from the dismantled station at Hunghom was used in these buildings, with corrugated asbestos cement roofs and sides.

About 3,100 sleepers were renewed in the main line. Of these, 807 were of reinforced concrete and the remainder Australian hardwoods. During the year 1,165 reinforced concrete sleepers were cast.

In July Messrs. Butterfield & Swire terminated their lease for the 1,800 sq. feet of spare railway land occupied by them for coal storage, and new leases were entered into with the Hongkong and Kowloon Wharf & Godown Co. for several areas to be used as timber yards.

From the 13th January to the 8th March there was a strike of seamen which, as it developed, involved the majority of trades and seriously affected the business of the Colony. All strikers left the Colony for Canton and this, coupled with the fact that river steamboat traffic entirely ceased, caused record Passenger and Goods traffic by rail. Except that the drivers and firemen were persuaded to join the strikers a day before the settlement, the Railway staff remained loyal and handled unprecedented traffic in a commendable manner. The express trains had to be run in duplicate or were doubled-banked. In the latter case they consisted of as many as 23 coaches. It was found generally preferable to run in duplicate, each portion consisting of from 10 to 12 coaches. As many as 2,000 passengers were carried on one portion, and over 8,000 in a day.

The increased earnings of this period were somewhat reduced by a period of partial stagnation after the strike, by the launchmen's strike in May, and by the frequent train suspensions owing to political unrest in Canton and neighbourhood. Much inconvenience and loss was caused by resultant military operations between Sun Yat-sen and Chan Kwing-mind. On five occasions bridges on the Chinese section of the line were damaged by explosives in attempts to prevent movements of troops. During this political unrest robber bands were as usual active along the part of the line in the Chinese Territory.

On two occasions the launch which plies between Taipo in British Territory and Sha U Chung in Chinese Territory was pirated.

During the visit of His Royal Highness the Prince of Wales in April, the Kowloon Railway Station was dressed with flags and buntings, and the building and clock tower facing the harbour fronts, including the goods shed, was picked out in red electric lights on the nights of the 6th and 7th.

The Gross Receipts for the year were $710,295.75, as against $603,980.77 for 1921, an increase of $106,314.98. The balance after paying working expenses stands at $148,151.40.

The Through and Joint Sectional Passengers carried were as follows :—

	1920.	1921.	1922.
Passengers booked by Stations in British Territory to Stations in China	365,665	435,933	526,111
Passengers booked by Stations in China to Stations in British Territory	373,776	462,379	522,909

The Local Passengers carried were as follows :—

	1920.	1921.	1922.
Main Line	392,206	429,133	639,709
Fanling Branch	47,787	43,733	52,431

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a.*)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital.

The Civil Hospital contains 170 beds in 21 wards. 4,447 in-patients and 25,892 out-patients were treated during 1921 as against 4,815 and 3,926 respectively in 1920. 484 cases of malarial fever were admitted as against 399 in 1921 and 243 in 1920. The total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 236 cases as compared with the year 1920. The Maternity Hospital contains 9 beds for Europeans, plus 3 extra beds, and 8 for Asiatics. 617 confinements occurred during the year as against 613 in 1921. The Victoria Hospital at the Peak contains 41 beds, and during 1922 178 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 10 cases were treated in 1922, all being infectious.

(*b.*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds. 235 patients of all races were treated during 1921 and there was 1 death.

(*c.*)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese-house surgeons, trained in Western medicine, are members of the hospital staff. There are 450 beds in the buildings, and 8,336 patients were accommodated during 1922.

The Tung Wa also maintain a branch hospital for smallpox cases (Chinese only) at Kennedy Town. It contains 60 beds and during 1922 46 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by the missionaries resident in Hongkong, agents of the London Missionary Society, and consist of the Alice Memorial Hospital opened in 1887, the Nethersole Hospital opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906. The number of in-patients in 1922 was 1,667 and the expenditure $54,065.98. The number of labours in the Maternity Hospital was 457. The Government makes a grant of $300 per annum to these Hospitals.

To avoid the complete seclusion from friends and relatives, which removal of Chinese plague patients to the Kennedy Town Infectious Diseases Hospital entailed, four District Plague Hospitals are now maintained by the Chinese in various parts of the Colony. These hospitals are under the management of the Chinese Public Dispensaries Committee.

The Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 244 beds and 5,142 patients were accommodated during 1922. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

As will be noticed from the remarks made under the heading Education, the Hongkong University is also an Aided Institution.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government, may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs, and not more than 12 directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1922 the number of persons admitted was 255 and at the close of the year 42 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866–69 by subscription.

Small grants are also given to the Italian Convent, the French Convent (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was $47,801 for the year 1922. The Government makes an annual grant of $7,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 13,939, being an increase of 1,697 or 13·86 per cent. as compared with 1921. There was in 1922 an increase in serious offences of 130 or 3·15 per cent. as compared with the previous year. The number of serious offences reported was 38 below the average of the quinquennial period commencing with the year 1918. The number of minor offences reported shows an increase of 1,567 as compared with 1921, and was 2,561 over the average of the quinquennial period.

The total strength of the Police Force in 1922 was: Europeans 188, Indians 431, Chinese 762, making a total of 1,381 exclusive of the six superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government departments. Of this force 17 Europeans, 118 Indians, and 57 Chinese were stationed in the New Territories during the year.

The District Watchmen Force, numbering 102, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol. A detective branch of the force has done useful work under the supervision of a European Inspector.

The total number of persons committed to Victoria Gaol was 5,014 as compared with 4,990 in 1921. Of these 1,358 were committed for criminal offences against 1,732 in 1921. Of committals for non-criminal offences there were 107 more for hawking without a licence, and 5 more for unlawfully boarding steamers, than in 1921.

The daily average of prisoners confined in the Gaol was 787, the average for 1921 being 764, and the highest previous average being 756 in 1919. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·12. The average percentage for the last ten years was 0·12. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners, including patients in Hospital. The Branch Prison at Laichikok has accommodation for 200 prisoners in association.

The prison discipline was very satisfactory, the average of punishments per prisoner being 0·52 as compared with 12·6 in 1921 and 0·99 in 1920.

Long-sentence prisoners serving two years and upwards are taught useful trades, including printing, bookbinding, tin-smithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $125,571.47 as against $77,750.18 in 1921. A sum of $3,298 was received and credited to Government for non-Government work as against $4,658 in 1921.

IX.—VITAL STATISTICS.

(*a*.)—POPULATION.

The civil population of the Colony, according to the census taken on April 24th, 1921, was 625,166, of whom 83,163 reside in the New Territories and in New Kowloon; at the census taken in 1911 it was 456,739 with 104,287 as the figure for the New Territories and New Kowloon. The estimated total population at the middle of the year under review was 662,200, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 578,200, of whom 15,200 were non-Chinese.

The distribution of population estimated to the middle of 1922 was as follows :—

Non-Chinese Civil Community			15,200
Chinese Population	City of Victoria (including Peak)	340,000	
	Villages of Hongkong	25,700	
	Kowloon (including New Kowloon)	133,000	
	New Territories	84,000	
	Population afloat	64,300	
Total Chinese Population			647,000
Total Civil Population			662,200

(*b.*)—Public Health and Sanitation.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hongkong during 1911, 1912, and 1913 elected to remain in the Colony.

The birth-rate for the year was 6·25* per 1,000 among the Chinese community and 22·84 per 1,000 among the non-Chinese community, as compared with 5·68 and 25·88 for 1921.

The death-rate for the year was 25·88 per 1,000 among the Chinese community and 20·46 among the non-Chinese civil community, as compared with 20·29 and 18·08 for 1921.

The number of deaths from Malaria were 454 (332 in 1921). The deaths of Chinese from this cause in the City of Victoria numbered 116 out of a population of 360,000 or a rate of 0·34 per 1,000 per annum.

The deaths from Plague numbered 1,071 as compared with 130 in 1921.

Smallpox deaths numbered 189, all but three were Chinese.

There were 4,863 deaths from respiratory diseases other than Pulmonary Tuberculosis as compared with 3,834 in 1921, and 94 of these were among the non-Chinese community. Pulmonary Tuberculosis claimed 1,385 Chinese and 25 non-Chinese victims whilst other forms of Tuberculosis represent an additional 686 deaths, making a total of 2,096 or 14·38 per cent. of the total deaths among the community.

Beri-beri was responsible for 829 deaths, as compared with 526 during 1921 and 361 in 1919. During the past few years circulars have been distributed to all large employers of coolie labour calling their attention to the fact that Beri-beri is produced by the consumption of white rice as the staple article of diet without a sufficiency of other foods, and advising that beans should be supplied with the rice, when fresh meat or fresh fish cannot be afforded.

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* This figure is wholly misleading, as it is impossible to register more than a portion of the births.

(*c.*)—CLIMATE.

The climate of Victoria is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea-level the temperature is on the average about 3° lower than at the Observatory, Kowloon, in the winter, and 8° lower in the summer. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the S.W. monsoon, being sheltered by steep hills from S.E. to S.W. In winter it is exposed to the N.E. monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand, the south-west side of the island is protected from the N.E. monsoon in winter and enjoys the benefit of the S.W. monsoon in summer.

X.—POSTAL AND TELEGRAPH SERVICES.

The total revenue from the postal service in 1922 amounted to $662,862.11, being $18,704.57 more than that collected in 1921. The net expenditure amounted to $258,115.57. The balance of revenue over expenditure amounted to $404,746.54.

The revenue collected in 1922 from radio-telegrams amounted to $32,052.99, being $12,970.01 more than that collected in 1921. Advices of vessels signalled at the lighthouses yielded $725.80, and semaphore messages $13.60, making a total of $32,792.39 for the telegraph service. The expenditure amounted to $65,670.85. The number of radio-telegrams forwarded during the year was 2,964, consisting of 40,928 words, and 7,865 received, consisting of 104,858 words.

A. G. M. FLETCHER,
Colonial Secretary.

16th July, 1923.

COLONIAL REPORTS, Etc.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1167	Bermuda	1922
1168	Grenada	,,
1169	St. Lucia	,,
1170	Leeward Islands	1921–1922
1171	Fiji	1922
1172	Ceylon	,,
1173	Gibraltar	,,
1174	British Guiana	,,
1175	Barbados	1922–1923
1176	Basutoland	,,
1177	St. Vincent	1922
1178	Bechuanaland Protectorate	1922–1923
1179	Mauritius	1922
1180	Swaziland	,,
1181	British Honduras	,,
1182	Uganda	,,
1183	Federated Malay States	,,
1184	Unfederated Malay States	,,
1185	State of Brunei	,,
1186	Straits Settlements	,,
1187	Falkland Islands	,,
1188	Kenya Colony and Protectorate	,,
1189	British Solomon Islands Protectorate	1922–1923
1190	Jamaica	1922
1191	Seychelles	,,
1192	Bahamas	1922–1923
1193	Somaliland	1922
1194	Northern Territories of the Gold Coast	1922–1923
1195	Leeward Islands	,,
1196	Turks and Caicos Islands	1922
1197	Nigeria	1923
1198	Weihaiwei	,,
1199	Gilbert and Ellice Islands	1922–1923
1200	Ashanti	1922–1923
1201	Gambia	1923
1202	Bahamas	1923–1924

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Report on a visit to the Island by the High Commissioner for the Western Pacific.

Printed by H.M.S.O. Press, Harrow.

COLONIAL REPORTS—ANNUAL.

No. 1228.

HONGKONG.

REPORT FOR 1923.

(For Report for 1922 see No. 1203.)

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HONGKONG.

ANNUAL GENERAL REPORT FOR 1923.

PREFACE.

The Colony of Hongkong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841; the cession being confirmed by the Treaty of Nankin in August, 1842; and the charter bears the date 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 sq. miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 18[illegible]5 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration.

GENERAL OBSERVATIONS.

Throughout the year the demand for land for building purposes continued and very high prices were realised at the auction sales. The result of this demand was that a sum of nearly three and a half million dollars was received in premia on new leases of Crown Land. Land in the Kowloon Peninsula increased in value to an extraordinary degree many lots changing hands several times, the ultimate price being in some cases three or four times the price of a year before.

With a view to increasing the housing accommodation of the Colony at moderate rentals a scheme was introduced of granting leases of land for forty years, mainly in outlying districts, without premium but subject to Crown Rent at the usual rates and assessed taxes. The upset value of the land is agreed upon between Government and the lessee who is then under covenant to build domestic property to a certain value within a stated period. He will render to Government a statement showing the costs of erection including Crown Rent, taxes, fire and typhoon insurance, repairs, management expenses and contributions to a sinking fund calculated to return to him within the period of the lease the amount of his original outlay. After a stated period and under certain conditions the lessee may sell the property, the proceeds being applied first to pay off the balance of the sinking fund and secondly to division between Government and the lessee. The lessee is then bound, if required by the Government, to apply a sum at least as large as his original capital to further building on similar terms. On the expiration of the term of forty years the property reverts to Government.

Notwithstanding the building of a large number of dwelling houses, rents of tenements not subject to the Rents Restriction Ordinance continued to rise, and in April a Commission was appointed under the Chairmanship of the Honourable Mr. H. E. Pollock, K. C., to enquire as to what measures were possible to increase the quantity and decrease the cost of housing accommodation in the Colony. This Commission reported in September, and many of the recommendations made for relieving the situation have since been adopted, while others are still under consideration.

In February an Ordinance to regulate certain forms of female domestic service was passed by the Legislative Council, and under its provisions Chinese female domestics known as "Mui Tsai" obtained certain rights and no person after the passing of the law could take any Mui Tsai into his employment. It is too early yet to judge of the effect of this legislation.

The Industrial Employment of Children Ordinance came into force on the 1st January, and is being carefully administered with the sympathetic co-operation of employers. This law will be supplemented later on by Factory legislation based on the English Acts, adapted to the needs of the Colony.

The increase in piracy in the Pearl and West River districts caused much anxiety during the year. A commission appointed after the piracy of the S. S. "Sui An" on the 19th November, 1922, reported on the 8th February, and as a result of its recommendations the revision of the Anti-piracy regulations for steamships was taken in hand, but was not completed by the end of the year.

Preparations for the proper representation of Hongkong at the British Empire Exhibition were carried on energetically and in June a sum of $250,000 was voted for this object.

On the 18th August a severe typhoon struck the Colony, and although the warning signals had been hoisted and junks and small craft had been able to reach the shelters at Mongkoktsui and Causeway Bay, much damage was done. Many vessels were driven ashore, and His Majesty's Submarine L 9 and the S.S. "Loong Sang" were sunk in the harbour close to the Praya wall with unfortunately some loss of life in the case of the "Loong Sang". Measures were under consideration at the close of the year for improving the scheme of typhoon warnings and life-saving methods in the harbour.

The agitation for acquiring certain areas of land in the City of Victoria and in Kowloon belonging to the War Department resulted in the appointment by His Majesty's Government of Sir John Oakley to report on the whole question. He arrived in the Colony in September and remained for a month.

The Colony showed its sympathy for the sufferers from the severe earthquake in Japan on the 1st September by voting a sum of $250,000 and sending food and clothing.

Much damage to public works was caused by a phenomenal rainfall of sixteen inches on the 31st October.

Mr. T. L. Perkins, Director of Public Works, retired from the service in May, and was succeeded in August by Mr. H. T. Creasy, Assistant Director of Public Works, Ceylon.

The Colonial Secretary was absent from the Colony from the 7th March, to the 3rd November, during which period the duties of the post were performed by Mr. A. G. M. Fletcher, C.M.G., C.B.E.

I.—FINANCES.

The revenue for the year amounted to $24,783,763 being $6,216,493 more than the estimate and $2,492,698 more than the revenue for the previous year.

Compared with the returns for 1922 there were increases under all the heads except Kowloon-Canton Railway.

The expenditure amounted to a total of $21,571,905 inclusive of a sum of $4,716,602 spent on Public Works Extraordinary.

The detailed figures for 1923 are set out in the following statements:—

HEADS OF REVENUE.	$ c.
Light Dues	137,455.61
Light Dues, Special Assessment	151,097.65
Licences and Internal Revenue not otherwise specified	16,123,980.81
Fees of Court or Office, Payments for specific purposes, and Reimbursements in Aid	1,601,281.37
Post Office	761,119.97
Kowloon-Canton Railway	474,721.78
Rent of Government Property, Land, and Houses	1,183,846.53
Interest	577,986.73
Miscellaneous Receipts	283,474.91
TOTAL, (Ordinary)	$21,294,965.36
Land Sales, (Premia on New Leases)	3,488,797.17
TOTAL	$24,783,762.53

The total expenditure brought to account amounted to $21,571,905 being $1,011,930 less than the estimate, and $3,008,902 more than the expenditure in 1922. Compared with the estimates there were increases under 15 heads as against 12 heads where there were decreases. The excess amounting to $1,285,783 under Miscellaneous Services was due to:—

	$ c.
University	176,000.00
Compensation in respect of Yaumati Ferry service	85,000.00
Publicity Bureau	30,000.00
Swatow Typhoon Relief Fund	29,998.00
War Memorial Nursing Home	200,000.00
British Empire Exhibition, H.K. Section	250,000.00
Loss on Subsidiary Coins	199,480.00
Japanese Earthquake H.K. Relief Fund	250,000.00
	$1,220,478.00

Military Expenditure exceeded the estimate by $240,331 due to increase in revenue. Public Works Extraordinary was less by $2,528,898 than the amount estimated and Education Department decreased $73,905 on account of unpaid Building Grants.

EXPENDITURE.	$ c.
Governor	94,100.92
Cadet Service	300,211.05
Colonial Secretary's Department and Legislature	60,759.08
Secretariat for Chinese Affairs	28,795.63
Audit Department	48,196.15
Treasury	70,880.33
Harbour Master's Department	316,994.95
Imports & Exports Department	908,095.52
Royal Observatory	38,374.11
Miscellaneous Services	1,828,078.38
Judicial and Legal Departments	285,009.31
Police	1,633,832.14
Fire Brigade	166,783.43
Prison Department	324,698.26
Medical Department	402,761.76
Sanitary Department	620,390.31
Botanical and Forestry Department	77,157.40
Education	856,367.04
Military Expenditure	4,033,500.36
Public Works Department	901,782.71
Do. Recurrent	1,424,532.80
Do. Extraordinary	4,716,602.94
Post Office	123,492.33
Kowloon-Canton Railway	757,030.11
Charge on account of Public Debt	964,810.00
Pensions	486,167.76
Charitable Services	102,499.94
TOTAL	$21,571,904.72

The balance to the credit on the year's working was $3,211,858 and the assets and liabilities account showed on the 31st December a credit balance of $15,971,495.

The following is a statement of the revenue and expenditure of the Colony for the five years 1919-1923:—

	Revenue.	*Expenditure.*
	$	$
1919	16,524,975	17,915,925
1920	14,689,672	14,489,594
1921	17,728,132	15,739,652
1922	22,291,065	18,563,003
1923	24,783,763	21,571,905

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £432,592. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000 and there are the sums of $1,176,086 and £98,441 at credit of the Sinking Fund.

A new valuation for Assessment was made for the year commencing 1st July, 1923, resulting as follows:—

Increases:—

The City of Victoria	$716,360
The Hill District	21,465
Shaukiwan, Saiwanho and Quarry Bay ...	18,555
Hongkong Villages	94,909
Kowloon Point	79,110
Yaumati	125,165
Mongkoktsui	40,600
Hunghom and Hok Un	31,995
Kowloon Villages	3,890
New Territories	121,722

The rateable value of the whole Colony amounted to $21,059,700 having increased by $1,253,771.

During the period 1914-1923 the assessment of the whole Colony has risen from $14,410,103 to $21,059,700, an increase in rateable value of $6,649,597.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows:—

Hongkong & Shanghai Banking Corporation	$ 44,681,129
Chartered Bank of India, Australia, & China	12,837,330
Mercantile Bank of India, Limited ...	1,455,649
	$ 58,974,108

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins, less those demonetized, now amounts to $17,814,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the

Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $26,235,459 has thus been redeemed. The total issue by the Hongkong Government was of the face value of $44,049,830.

STATEMENT OF SUBSIDIARY COINS.

Received and redeemed (from 1911)

Blue Book 1911. Amount in circulation.			$43,999,830
Since received :—Copper coin.			
	1919...	25,000.00	
	1923...	25,000.00	50,000
Total Amount put into circulation ...			$44,049,830
Less since redeemed :—			
	1911...	5,527,459.04	
	1912...	1,040,000.00	
	1913...	1,040,000.00	
	1914...	5,000,000.00	
	1915...	5,100,000.00	
	1916...	5,028.000.00	
	1918...	500,000.00	
	1922...	3,000,000.00	26,235,459.04
Total Amount of coin in circulation in 1923...			$17,814,370.96

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(a.)—SHIPPING.

The total Shipping entering and clearing at Ports in the Colony during the year 1923, amounted to 778,222 vessels of 53,402,239 tons, which, compared with the figures of 1922, show an increase of 69,978 vessels, and of 6,835,475 tons.

Of the above 49,900 vessels of 35,011,533 tons were engaged in Foreign Trade as compared with 50,427 vessels of 29,543,564 tons in 1922.

Table 1 shows an increase in British Ocean-going shipping of 842 ships or 18·5 per cent. and an increase of 1,533,250 tons or 15·8 per cent. This increase in ships and Tonnage is due to new Steamers built in Europe being put on the Eastern trade, new Steamers locally built being put on the Coasting trades, the Norwegian s.s. "*Helios*" put under British Registry and re-named the "*Wong Shek Kung*".

Foreign Ocean-going vessels have increased by 1,153 ships, and by 2,389,646 tons or 18·9 per cent. in numbers and 19·4 per cent. in tonnage. This increase in ships and tonnage is due to new German Steamers being put on the Eastern trade, new Spanish Mail Steamers being put on the Eastern trade, the Chinese s.s. "*Ling Nam*" being put on the South American trade. New Nippon Yusen Kaisha Steamers being put on the run to Europe and a number of new vessels put on the Coasting trade principally Dutch and Norwegian. The British s.s. "*Wong Shek Kung*" being put under the Chilian Flag and the s.s. "*Haimun*" being put under Panama Flag. The s.s. "*Dashtestan*" being put under the Portuguese Flag and renamed the s.s. "*Coloan*".

British River Steamers have increased by 1,142 ships with an increase in tonnage of 1,967,123 tons or 23·1 per cent. in numbers and 52·7 per cent. in tonnage. This increase in ships and tonnage is due to new River Steamers "*Lung Shan*" being put on the Canton run, the "*Kwong Fook Cheung*" being put on the West River run and the Chinese River Steamer "*Wah Kiu*" renamed the "*Fook Sing*" and put under British Registry.

Foreign River Steamers show a decrease of 353 ships with a decrease in tonnage of 74,985 tons or 8·3 per cent. in numbers and 10·2 per cent. in tonnage. This decrease in ships and tonnage is due to a number of vessels being unable to run owing to the unsettled state on the West River and the Chinese Steamer "*Wah Kiu*" being put under British Registry and renamed "*Fook Sing*".

A comparison between the years 1922 and 1923 is given in the following table:—

Class of Vessels.	1922.		1923.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going, ...	4,547	9,688,891	5,389	11,222,141	842	1,533,250	...	...
ForeignOcean-going, ...	6,095	12,282,271	7,248	14,671,917	1153	2,389,646	...	...
British River Steamers, ...	4,866	3,731,227	6,008	5,698,350	1142	1,967,123	...	...
Foreign River Steamers, ...	4,244	732,715	1,891	657,730	...	...	353	74,985
Steamships under 60 tons (Foreign Trade).	6,520	200,363	4,811	142,392	...	...	1,709	57,971
Junks,Foreign Trade, ...	26,155	2,908,097	24,553	2,619,003	...	...	1,602	289,094
Total, Foreign Trade, ...	50,427	29,543,564	49,900	35,001,533	3137	5,809,019	3,664	422,050
Steam Launches plying in Waters of the Colony,	639,554	15,903,758	705,544	17,077,346	65,990	1,173,588	...	...
Junks, Local Trade, ...	*18,263	*1,119,442	†22,778	†1,313,360	4,515	193,918	...	...
Grand Total,...	708,244	46,566,764	778,222	53,402,239	73,642	7,257,525	3,664	422,050
				Net Increase.........	69,978	6,835,475	...	...

* Including 11,134 Conservancy and Dust Boats of 795,926 tons.
† ,, 15,134 ,, ,, ,, ,, of 961,910 ,,

In Steamships not exceeding 60 tons employed in Foreign trade, there is a decrease of 1,709 ships with a decrease in tonnage of 57,971 tons or 26·2 per cent. in numbers and 28·9 per cent. in tonnage. This decrease in launches and tonnage is due to a number of launches employed in Foreign trade being laid up or trading in the waters of the Colony owing to the unsettled state on the Canton and West Rivers.

Junks in Foreign trade show a decrease of 1,602 vessels, and a decrease of 289,094 tons or 6·1 per cent. in numbers and 9·9 per cent. in tonnage. This decrease in vessels and tonnage is due to a number of Foreign trading Junks, being laid up on trading in the Waters of the Colony owing to the unsettled state on the Canton and West Rivers.

In Local trade (*i.e.* between places within the waters of the Colony) there is an increase in Steam Launches of 65,990 and an increase in tonnage of 1,173,588 tons or 10·3 per cent. in numbers and 7·4 per cent. in tonnage. This increase in launches and tonnage is due to a number of Foreign trading launches now trading in the waters of the Colony owing to the unsettled state on the Canton and West Rivers.

Junks in Local Trade show an increase of 4,515 vessels and an increase of 193,918 tons or 24·7 per cent. in numbers and 17·3 per cent. in tonnage. This increase in vessels and tonnage is due to a number of Foreign trading Junks now trading in the waters of the Colony owing to the unsettled state on the Canton and West Rivers.

Of vessels of European construction 6,321 Ocean Steamers, 3,951 River Steamers and 2,404 Steamships not exceeding 60 tons, entered during the year, giving a daily average of 34·7 ships as compared with 33·2 ships in 1922 and 33·8 ships in 1921.

The average tonnage of Individual Ocean Vessels entering the Port has decreased from 2,068·6 to 2,053·2 tons, that of British Ships has decreased from 2,131·0 to 2,070·9 tons while that of Foreign Ships has increased from 1,957·7 to 2,040·3 tons.

The average tonnage of Individual River Steamers entering during the year has increased from 598·8 tons to 628·1 tons, that of British River Steamers has decreased from 822·8 tons to 809·9 tons, and that of Foreign River Steamers has increased from 318·9 tons to 332·7 tons.

The actual number of individual Ocean-going vessels of European construction during the year 1923 was 1,186 of which 529 were British and 657 Foreign. In 1922 the corresponding figures were 1,092 of which 410 were British and 682 were Foreign.

These 1,186 Ships measured 3,468,321 tons. They entered 6,321 times and gave a collective tonnage of 12,979,033 tons.

Thus 94 more ships entered 1,002 more times and gave a collective tonnage greater by 1,978,285 tons, an average of 1,974·3 tons per entry.

Thus :—

Flag.	Steamers.		No. of times entered.		Total Tonnage.	
	1922.	1923.	1922.	1923.	1922.	1923.
British, ...	410	529	2,273	2,691	4,843,837	5,572,944
Japanese,.........	334	285	1,246	1,337	2,881,813	3,129,156
U.S.A., ...	94	84	258	272	1,109,460	1,421,952
Chinese, ...	80	79	836	788	596,048	650,643
German, ...	12	29	26	71	99,810	275,583
Danish, ...	18	16	37	58	108,671	141,171
Dutch,............	46	46	203	221	618,455	666,173
French, ...	33	39	190	281	386,440	515,507
Greek	—	—	—	—	—	—
Italian,............	7	6	22	23	79,879	95,222
Panamaian, ...	—	6	—	105	—	63,242
Chilean, ...	—	6	—	122	—	52,975
Norwegian, ...	38	32	176	215	179,436	266,564
Portuguese,......	4	13	4	108	2,103	51,003
Russian, ...	2	2	2	3	1,544	2,331
Siamese, ...	6	2	34	2	38,403	2,621
Swedish, ...	8	9	12	14	41,849	47,932
Spanish, ...	—	3	—	10	—	24,014
Total, ...	1,092	1,186	5,319	6,321	11,000,748	12,979,033

The Nationality of the Crews in British and in Foreign Ships was as follows :—

	VESSELS.		BRITISH CREW.		AMERICANS AND OTHER EUROPEANS.		ASIATICS.	
	1922.	1923.	1922.	1923.	1922.	1923.	1922.	1923.
British, .	410	529	28,161	81,710	1,235	2,263	180,330	303,231
Foreign,.	682	655	1,796	1,088	27,586	35,558	151,338	267,770
Total, ...	1,092	1,184	29,957	82,798	28,821	37,821	331,668	571,001

Hence in British ships :—

1922.	*1923.*	
13·43 %	21·10 %	of the crews were British.
0·59 %	0·59 %	of the crews were other Europeans.
85·98 %	78·31 %	of the crews were Asiatics.
100·00 %	100·00 %	

And in Foreign ships :—

1922.	*1923.*	
1·00 %	0·36 %	of the crews were British.
15·42 %	11·68 %	of the crews were other Europeans.
83·58 %	87·96 %	of the crews were Asiatics.
100·00 %	100·00 %	

Trade.

Detailed statistics of imports and exports are collected and published by the Imports and Exports Department.

Imports.

The number and tonnage of ships of European type of construction carrying cargo for import and transit, compared with 1922 were as follows :—

	1922.		1923.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers,........	5,318	11,000,701	6.321	12,979,033	1,003	1.978,329	—	—
River Steamers,	3,552	2,229,597	3,951	3,153,891	399	924,291	—	—
Sailing Vessels.	1	44	—	—	—	—	—	—
Total,...	8,871	13,230,345	10,272	16.132,924	1,402	2,902,623	—	—
Nett Increase,.........					1,402	2,902.623	—	—

EXPORTS.

The corresponding figures relating to ships of European type of construction, shipping bunker coal, are as follows:—

	1922.		1923.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers.	5.322	10,970,458	6,316	12,915,025	994	1,944,567	...	...
River Steamers.	3,558	2,234,345	3,948	3, 202,189	390	967,844	...	...
Sailing Vessels.	1	44	...	...	...	...	1	44
Total....	8,881	13,204,847	10,264	16,117,214	1,384	2,912,411	1	44
Net Increase, ...					1,383	2,912,367	...	...

	1922.		1923.		Increase.		Decrease.	
	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.
Steamers, ...	5,322	439,734	6,316	543,324	994	103,590	...	...
River Steamers,	3,558	59,159	3,948	62.737	390	3,578	...	...
Total....	8,880	498,893	10,264	606,061	1,384	107,168	...	...
Net decrease,.........					1,384	107,168	...	...

The River Trade, compared with 1922, is shown in the following Table:—

Year.	Imports.	Exports.	Passengers.
1922, ...	353,134	452,424	1,436,434
1923, ...	369,685	598,849	1,923,909

The following table shows the junk trade of the Colony for the years 1922 and 1923:—

IMPORTS.

	1922.		1923.	
	Junks.	*Tons.*	*Junks.*	*Tons.*
Foreign Trade,......	12,927	1,578,924	12,234	1,297,253
Local Trade, ...	3,516	162,521	3,759	173,365
Total, ...	16,443	1,741,445	15,993	1,470,618

	Tons.
Cattle, 553 head,..	65
Swine, 14,612 head, ...	860
Earth and Stones, ...	11,657
General, ...	505,120
Total,.........	517,702

EXPORTS.

	1922.		1923.	
	Junks.	*Tons.*	*Junks.*	*Tons.*
Foreign Trade,......	13,228	1,616,084	12,319	1,321,750
Local Trade,.........	3,613	160,990	3,885	178,085
Total, ...	16,841	1,777,074	16,204	1,499,835

Exported 885,833 tons as under:—

	Tons.
Kerosine, 1,811,526 cases,..	62,660
Rice and Paddy,..	241,534
Coal,...	170,155
General, ...	411,484
Total,...........	885,833

Emigration and Immigration.

One hundred and Twenty thousand, two hundred and twenty-four (120,224) emigrants left Hongkong for various places during the year 1923, (98,393 in 1922). Of these, 62,679 were carried in British ships, and 57,545 in foreign ships.

One hundred and twenty-one thousand one hundred and two (121,102) returning emigrants were reported to have been brought to Hongkong from the several places to which they had emigrated either from this colony or from coast ports, as against 143,547 in 1922. Of these, 65,200 arrived in British ships, and 55,902 in foreign ships.

Statement of number of emigrants to Straits Settlements, 1912 to 1923, compared with total Chinese emigration.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1912	84,024	122,657
1913	102,353	142,759
1914	44,974	76,296
1915	41,278	68,275
1916	82,797	117,653
1917	63,292	96,298
1918	8,019	43,830
1919	11,638	59,969
1920	43,935	105,258
1921	87,324	156,011
1922	50,356	98,393
1923	65,584	120,224

(*b.*)—INDUSTRIES.

(i.)—*Under European management.*

Engineering and Shipbuilding.—The figures are as follows for the years 1922 and 1923:—

1922.

H.K. & Whampoa Dock Co., Ld...	6	vessels of	11,842	gross tons and	7,300	I.H.P.
Taikoo Dockyard & Eng. Co., Ld.	7	"	11,087	" "	8,550	"
W. S. Bailey & Co., Ld	3	"	174	" "	340	"
Kwong Hip Lung Co., Ld.	2	"	48	" "	144	"
A King..............................	2	"	29	" "	260	"
Kung Tuck Cheong	1	"	88	" "	400	"
Tong Lee	1	"	41	" "	80	"
Total	22	vessels of	23,309	gross tons and	17,074	I.H.P.

1923.

H.K. & Whampoa Dock Co., Ld...	5	vessels of	9,577	gross tons and	7,680	I.H.P.
Taikoo Dockyard & Eng. Co., Ld.	5	"	4,711	" "	3,120	"
W. S. Bailey & Co., Ld..............	7	"	830	" "	700	"
Total	17	vessels of	15,118	gross tons and	11,500	I.H.P.

Trade in China was bad for the first six or seven months of the year but greatly improved during the latter half of the year.

Cement Manufacture.—Despite the importation of Cement from Europe and elsewhere, the demand for the local product continued strong throughout the greater part of 1923. Towards the end of the year, however, the accumulation of imported Cement had the effect of forcing prices down to a lower level, and with continual shipments of Cement arriving, the prospects for 1924 are not so favourable as they have been for the past 3 years.

Cotton.—American Cotton fluctuated considerably during 1923.

The year opened with quotations from 15*d* to 15½*d* per lb. which before the end of January had reached 16¾*d* per lb.

At the end of March prices had declined and during May were reduced to 14¼*d*.

June, however, saw a substantial advance, 17¼*d* being quoted.

The beginning of August registered the lowest value during the year *i.e.* 13.40*d*.

Afterwards the market showed firmness and the price advanced to 18½*d* in September, and reached the highest value of the year at the end of November *i.e.* 21.99*d*.

During December prices fluctuated between 18½*d* and 21¾*d* and the year closed with quotations between 20½*d* and 21¼*d*.

Rope Making.—The demand for Manila Cordage was fairly good throughout the year, and the total turnover shows an improvement on that of the previous twelve months. The demand from India was seriously affected by the political cry for preference to native goods, the enquiries from Burmah also fell off owing to the preference for Wire Rope on the oil fields. But on the other hand this was offset by a better demand from Japan.

(ii).—*Under Chinese Management.*

Chinese Paper.—The exports—48,000 piculs—approximated closely to those of 1922.

Feathers.—There was a good demand during the first half of the year, and £166,000 worth were exported, principally to the United Kingdom.

Ginger.—Exports amounted to £238,000 as compared with £206,000 in 1922.

Hides.—Returns are as follows:—

	1923 piculs.	1922 piculs.	1921 piculs.
Buffalo	4,550	6,714	11,243
Cow	46,130	58,642	54,911
Goat	200	2,126	6,254
Sheep	2,672	1,388	615

Continued trouble in the interior was responsible for a further falling off.

Mats and Matting.—The value of this commodity exported from the Colony during 1923 was $375,500, as against $600,000 during 1922.

Native Tobacco.—Exports again showed a decrease—£419,000, as compared with £471,000 in 1922.

Rattan and Fibre Furniture.—Values of exports closely approximated the 1922 figure of £165,000. The U. S. A. and the Straits Settlements were the largest buyers.

Soy.—Prices during the whole year were about $23.50 per cask, with slight fluctuations and little demand from Europe. The U. S. A. absorbed half the output—£35,000 worth.

Tin.—The China Tin business in Hongkong was comparatively quiet during 1923.

Unpeeled Groundnuts.—Rather small quantities were shipped in the beginning of the year but the total exports for the year amounted in value to over £300,000.

Vermillion.—£109,000 worth was exported, as compared with £110,000 in 1922.

Wood Oil.—The demand for this commodity from Europe and the United States of America was much better during 1923 than in the previous year, and the prices obtained were on the average considerably higher.

The total exports to England and the Continent amounted to about 22,000 piculs, valued at £86,000, and about 53,000 piculs were shipped to America, valued at £198,000, which figures represent about seven times the total quantity shipped in the previous year.

(c.)—FISHERIES.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(d.)—FORESTRY, AGRICULTURE, AND BOTANY.

Formation of Pine tree plantations.

Seeds of *Pinus Massoniana* were sown in situ in the following places, sixty three pounds of seed being used:—50,000 near the new Shek O Motor Road, 3,077 on Cheung Chau Island and 50,000 at Quarry Bay.

230 pounds of seed were also sown broadcast on the grassy banks below Shek O Road, Tsun Wan Road and between Shatin and Taipo Roads.

In Plantation 7C below the Matilda Hospital, Mount Kellet, where hill fires had taken place, 250 pounds of pine seed were used for resowing purposes, and in other plantations 5C and 5D at Repulse Bay 213 pounds were similarly used.

Broad-leaved trees planted.

The principal trees used for roadside planting consisted of *Tristania conferta, Casuarina equisetifolia, Bauhinia Blakeana, Bauhinia variegata, Aleurites triloba, Erythrina indica, Ficus infectoria, Melaleuca Leucadendron, Crataeva religiosa, Paulownia Fortunei, Poinciana regia, Cassia fistula* and *Cinnamomum Camphora*, which were used in the following places, Stubbs Road 192, Conduit Road 4, Broadwood Road 32, Shek O Road 101, Repulse Bay Road 5, Pokfulam Road 8, Magazine Gap Road 17, Wong-Nei-Chong Gap Road 10, Salisbury Road (Kowloon) 30, Nam Chong Street (Shumshuipo) 90, Taipo Road (N. T.) 59, Lok Ma Chau Road (N. T.) 153 and Shatin Road (N. T.) 13.

Eighty four young "Jak" trees (*Artocarpus integrifolia*) were planted to replace failures in a plantation near Aberdeen Reservoir.

Care of trees in plantations.

Creepers and Loranthus were removed from trees on roadsides and in plantations as far as possible whenever they are observed.

Pine tree caterpillars fortunately appeared only in very small numbers in one plantation near Fan Ling.

Twenty five miles of fire barriers were cleared in the mainland and eighteen on the island; these barriers almost always proved useful in checking hill fires.

Removal of trees.

In connection with the general improvement and widening of roads, the sale of building lots, excavations of reclamations and various public works a large number of trees, both large and small and of various kinds were felled; those which were cut down near public roads were mainly Banians.

About 500 pine trees were cut down for the laying-out of an extension to the Tai Shek Kwo Cemetery, Kowloon.

In addition very large number of trees were cut down after they had suffered badly from the typhoon.

The usual removal of undergrowth as part of the campaign against malaria was conducted throughout the year, the total area cleared amounting to over 6,500,000 square feet while the total area cleared for survey purpose by P. W. D. 2,400,000 square feet.

Nurseries, Agriculture, &c.

10,000 *Cinnamomum Camphora*, 300 *Poinciana regia* and 340 *Bauhinia variegata* were raised in the 9A Nursery, Kowloon, for reafforestation purpose in 1924.

The growing of *Aleurites Fordii* and *Aleurites montana* for the investigations into the possibilities of the commercial production of wood oil has not been satisfactory as most of the seedlings of both varieties suffered heavily from the typhoons. A further trial of seeds of *Aleurites montana* has been made at the Fan Ling Experimental Garden about 45 pounds of seeds having been raised before the end of the year.

At the Fan Ling Experimental Garden a small quantity of seeds of *Perilla ocymoides* obtained locally were raised. It is hoped in due course to furnish a report to the Imperial Institute, London, on the possibilities of oil production from perilla.

Five hundred and sixty pounds of seeds of *Pinus Massoniana* and forty pounds of Camphor seeds were collected during the year.

The first and second crops of rice were good and pineapples were fair. The one thousand young pineapples obtained from Honolulu have now made good progress.

Eight thousand five hundred and forty packages containing 1,070,040 bulbs of *Nacissus Tazetta* were inspected and certified for export to the United States of America and Honolulu, the largest number examined since the inauguration of this service in 1919.

(e.)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown Land and pier rights, New Territories excepted, for the year 1923 was $2,892,445.78 an increase of $348,220.25 on the preceding year, and $990,387 more than the average for the previous five years.

The principal items were $242,400 for Inland Lot No. 2413, $156,000 for Inland Lot No. 2411, $100,200 for Inland Lot No. 2421, $94,500 for Marine Lot No. 430, $450,500 for Kowloon Inland Lots Nos. 1558 to 1561 and $82,700 for Kowloon Inland Lot No. 1556.

In the New Territories the net amount received for premium was $589,799.14, the principal items being $150,500 for New Kowloon Inland Lot No. 419 and $98,700 for New Kowloon Inland Lot No. 435.

Resumptions include several Farm Lots in the Wongneichung Valley and Kowloon Farm Lots Nos. 3 & 4 at Yaumati, all of which were required for development purposes.

The total area sold or granted during the year was 1,897 acres O rood $37\frac{7}{10}$ poles of which 1,790 acres 1 rood $25\frac{7}{10}$ poles were dealt with by the District Officers.

The total area of land resumed was 82 acres 1 rood $26\frac{1}{4}$ poles.

The number of deeds registered in the Land Office was 6,837, 2,371 more than the year 1921, which was a record year. The aggregate consideration set out in deeds registered in the land Office was $223,828,607.85 as against $107,392,435 38 in 1922.

Land Registration Fees exclusive of the New Territories amounted to $123,631.00 being $42,094.00 more than the previous best year on record. Land Registration Fees in the New Territories amounted to $16,241.06 an increase of $13,318.06 on 1922.

There has been considerable development in New Kowloon on the lines of the town planning schemes, in other portions of the Southern District there has been a steady demand for sites.

In the Northern District there has been keen competition for land and a considerable area has been disposed of for various purposes.

III.—LEGISLATION.

Thirty-five (35) Ordinances were passed during 1923, of which seventeen were amendments of previous Ordinances.

The most important matters with which these Ordinances dealt were :—

The Female Domestic Service (No. 1)—The object of this ordinance was to regulate certain forms of female domestic service.

The Police Supervision, (No. 5)—The object of this ordinance was to provide for police supervision of certain criminals.

The German Missions Trustees (No. 9)—The object of this ordinance was to provide for the carrying on of the work formerly carried on by certain German societies and persons in the Colony of

Hongkong and to deal with certain property formerly held or administered by, or used in connection with the work of, such societies and persons in the Colony of Hongkong, and to provide for the control of the persons by whom the said work is to be carried on.

The Fraudulent Transfers of Businesses, (No 25)—The object of the ordinance is to prevent certain fraudulent transfers of businesses.

The Ordinances of Hongkong 1844-1923 (No. 18)—The object of this ordinance was to authorise the preparation and issue of a new edition of the ordinances in force in the Colony to be known as the Ordinances of Hongkong 1844-1923.

Statute Laws (Proof and Preservation) (No. 19) —The object of this ordinance was to provide for the preservation of certain portions of the Statute Laws (New Revised Edition) Ordinance, 1911.

IV.—EDUCATION.

The European staff was increased by Twelve new appointments from England during the year.

The total number of pupils at schools in the Colony excluding the Police School and the uncontrolled schools in the New Territories are:—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools -	3,439	41	3,480
Military Schools - - -	157	—	157
Excluded Private Schools	348	—	348
Grant Schools - - -	3,351	1,051	4,402
Controlled Private Schools - - - -	5,621	23,253	28,874
Controlled Private Schools, New Territories - - - - -	—	4,665	4,665
Technical Institute - -	526	—	526
Total - - -	13,442	29,010	42,452

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian*

School of growing importance housed in a building presented to the Colony by the late Sir Ellis Kadoorie. *Central School* and *Kowloon Junior* and *Victoria Schools* for children of British parentage have an average attendance of 204. There is also a school for the children of the Peak District with an average attendance of 45. The *Diocesan School and Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French*, and *St. Mary's Convents*, and the *Diocesan Girls' School*, are the most important of the English Grant Schools for girls.

The Hongkong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1923 in Building Construction, Machine Drawing, Mechanics, Chemistry (Practical and Theoretical), Physics, Electricity, Commercial English, French, Shorthand, Book-keeping. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from the members of the Medical and Educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped Chemical Laboratory and excellent Physical apparatus.

The University of Hongkong, incorporated under the local University Ordinance, 1911, and opened in 1912, is a residential University for students of both sexes for the promotion of Arts, Science and Learning, the provision of higher education, the development and formation of the character of students of all races, nationalities, and creeds.

The late Sir Hormusjee Mody, bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a five year course of study in the usual pre-medical and medical sciences, supplemented by clinical work in the Government Civil and Tung Wah Hospitals, leading to the degree of M.B., B.S. The degrees of M.D., and M.S., may be obtained for post-graduate work. The degrees above-mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure Arts and Science, Education (including practical teaching) and Commerce. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to better securing the maintenance of the desired standard—which in the Faculty of Medicine is that of an English University degree and in the Faculty of Engineering that of the corresponding degree in the University of London—external examiners are, in all Faculties, associated with the internal examiners in all annual and final examinations. In the Faculty of Engineering, but not in other Faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is also granted, *honoris causa*.

The site of the University was given gratuitously by the Colonial Government. As subsequently enlarged by minor grants and by purchase, it includes an area of some 25 acres, looking out upon the harbour over the City of Victoria.

In the main buildings are housed the Chemical, Physical and Biological Laboratories, the University Library and portions of the Engineering Laboratories. They further include a Great Hall, a Senate Room and the Lecture and Class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of Anatomy, Physiology, Pathology and Tropical Medicine, erected at the cost of Chinese gentlemen resident in the Colony. In the case of each of the three schools last mentioned a large or smaller sum still remains available for further equipment.

Special engineering buildings include :—

(*a*) a Power Station, generating light and power for the estate, energy being supplied by internal combustion engines of varied types which are available for instructional purposes ;

(*b*) a Prime Movers (steam) and Hydraulics Laboratory, at present housed in a converted Pumping Station, formerly the property of the Government ; and

(*c*) A Workshop, including a small machine-shop, smithy and carpenter's shop.

Electrical machinery (other than the main generating plant), electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include :—

(*a*) the Vice-Chancellor's Lodge

(*b*) Staff-Quarterers

(*c*) the resident Hostels, and

(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University, or in a recognised Hostel.

The University Hostels are three in number—Lugard Hall, Eliot Hall, and May Hall.

Recognised Hostels are at present two in number—Morrison Hall, situate immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual Common rooms. Each University Hostel is in charge of a member of the staff, as resident Warden.

No University Hostel at present exists for women students—whose right to admission to the University was first recognised in 1921 : but by the courtesy of the school authorities, arrangements have been made for their lodging in connection with St. Stephen's Girls' College.

University fees for tuition and board amount to $550 per annum, enabling a student who lives carefully to meet the whole of his expenses with a sum of $1,000 per annum, as compared with a minimum sum of $2,500 per annum, besides travelling expenses, in the case of a Chinese student going abroad for his education.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government, the President's Scholarships founded by His Excellency the President of China, together with Scholarships (some of which are in the nature of bursaries) given by the Hongkong Government, the Chinese Government, the Metropolitan District of Peking, the Provincial Governments of Canton, Chihli, Yunnan and Hupeh, the Governments of the Straits Settlements and the Federated Malay States, the Government of Kedah and the Siamese Government. Students are also drawn from the Philippines, French Indo-China and Australasia.

During 1923 an Honorary Degree was conferred upon the Hon. Sir Paul Chater, C.M.G., who has held the post of Honorary Treasurer since the foundation of the University.

A donation of $300,000 was received from the Hongkong Government in final liquidation of the balance of $1,000,000 which the Government promised in 1920 to contribute to the University Endowment Fund. A benefaction of $250,000 was also received from Sir Paul Chater to be known as "The Chater Endowment Fund", the income to be applied to the general funds of the University.

The total cost of the land, buildings and equipment of the University may be placed at approximately $1,750,000 and their replacement value at not less than $2,500,000, while the invested endowments exceed $3,000,000.

PUBLIC WORKS.

BUILDINGS.

During the year under review good progress was made on the following works:—In Hongkong,—Foundations and steel framework of the New Fire Brigade Station opposite the Central Market; site formation of the new Sai Ying Pun School; site formation of the new Queen's College Building; site preparation and retaining walls for the new garage on Stubbs Road. In Kowloon:—Medical Officers' Quarters and site formation of the Kowloon Hospital site; new market at Mong Kok Tsui. In the New Territories:—New Police Station at Shatin; Police Block House at Castle Peak. The undermentioned works were completed:—In Hongkong:—Senior Officers' Quarters on the Homestead site at the Peak (except semi-detached houses) under Messrs. Little, Adams & Wood; Quarters at Leighton Hill, under Messrs. Dennison, Ram & Gibbs; Maternity Block and alterations to the Sisters' Quarters, Victoria Hospital; additional offices for the P.W.D; Miniature Rifle Range at the Hongkong Volunteer Defence Corps Headquarters. In Kowloon:—Police Stations at Yaumati and Mong Kok Tsui; additional storey to Tsim Sha Tsui Police Station. In the New Territories:—Quarters for Indian Married Police at Au Tau and Lok Ma Chow; additions to Land Court Building, Tai Po. Many other smaller works of minor importance were also accomplished.

COMMUNICATIONS.

The road and path from Wanchai Gap to Middle Gap; road contouring hillside above Conduit Road (1st Section); the low level road (25 feet wide) from Island Bay to Big Wave Bay; road from Wongneichong Gap to Repulse Bay Road (½ mile at Repulse Bay Road end); were completed. The road connecting Broadwood Road with Wongneichong Gap Road was nearing completion.

Substantial progress was made with the undermentioned works:—Road from Taitam Gap to Shek-O (2nd Section Shek-O Gap to Shek-O Village); extension of the 20 foot road from Magazine Gap to Peak Tram Station, Chamberlain Road; road contouring Wongneichong and Tai Hang Valley (2nd Section).

Fair progress was made with the widening of the road through Quarry Bay Village, and road from Causeway Bay to North Point.

Mention may also be made of improvements being carried out to Kennedy, Bonham, Conduit, Pokfulam and Victoria Roads.

In Kowloon, the extension of Coronation Road northwards through the hill (formerly K.F.L. 11) was completed.

Good progress was made with diverting the roadway near the site of the new Kowloon Hospital, the extension of Waterloo Road, Tokwawan Road (section between Kowloon City Road and K.M.L. 90).

Fair progress was made on the Kowloon City to Mong Kok Road (2nd Section) but owing to heavy rock cutting the work t the Argyle Street extension was somewhat delayed.

Preliminary works were in progress in connection with the extension of Chatham Road from Hung Hom to Kowloon City.

The work of metalling and tar-painting the Coastal Road from Lai Chi Kok to Castle Peak and the Tai Po Road was continued during the year.

A section of the Tai Po to Shun Wan Road was completed. An access road from Tsun Wan to the proposed New Waterworks at Shing Mun was commenced.

DRAINAGE.

The existing outfall from below Wanchai Gap was continued to the sea near Aberdeen.

Good progress was made with the Mong Kok Tsui Nullah East through the Railway Bridge.

The Waterloo Road Nullah was completed in November,.

A contract for training and diverting the main stream course at Ma Tau Chung was let in October. The work is being carried out in conjunction with the Chatham Road Extension and Kowloon Bay West Reclamation.

WATERWORKS.

The excavation in connection with the new Eastern District Filter Beds; and work on the Stanley Mound East, Stanley Mound West and Jardine's Lookout catchwaters proceeded satisfactorily.

The work in connection with the Hydraulic Ram and Distribution System for the lower Wanchai Gap District was completed.

The Repulse Bay Water supply scheme was extended.

A commencement was made with the diversion of Peak Pumping mains and Distributing mains in connection with the Conduit and Hatton Roads Development Scheme.

In Kowloon, the work in enlarging the mains to improve the distribution system was continued.

The work in connection with the extension of Kowloon catchwater and new Shek Lai Pui Reservoir proceeded satisfactorily.

A large amount of survey and contour work was done in connection with the Shing Mun Valley Scheme.

The Tai Po water supply scheme was completed.

RECLAMATIONS.

Good progress was made with the Praya East Reclamation, the filling in of the Tidal Flat, cutting down hills between Tai Kok Tsui and Fuk Tsun Heung and Reclamation at Shamshuipo.

A contract was let for forming a Reclamation at Kowloon Bay East to form permanent accommodation for the junk building and repairing industries.

Work was continued on certain private reclamation works, and, in the case of the Kai Tak Land Investment Company, some further progress was made.

PIERS.

The steel work for roof and granite facade to the new reinforced concrete pier opposite Queen's Statue were commenced and proceeded satisfactorily.

The reinforced concrete pier for landing pigs and cattle at Kennedy Town and the Ferry Pier at Public Square Street Yaumati were completed.

MISCELLANEOUS.

The Report of the Consulting Engineers (Messrs. Coode, Fitzmaurice, Wilson & Mitchell) on Hongkong Harbour Improvements was received, and was referred to the Hongkong General Chamber of Commerce for its consideration. The Report recommends six jetties forming ship and junk basins in Hung Hom Bay.

Several meetings were held to discuss the question of universal water meterage, but the Chinese community expressed themselves against the scheme which was therefore not proceeded with during the year.

Good progress was made with the development of areas in the neighbourhood of Kaulung Tong, some 14½ acres of formed land being handed over to the Kaulung Tong Development Company.

Contracts were let for the erection of piers at Whitfield and Blackhead's Point.

A contract was let for constructing a road from Fan Ling to Sha Tau Kok.

The total amount expended on Public Works Extraordinary was $4,716,602.94 and on annually recurrent works $1,424,532.80.

RAILWAY.

The new bay to the carriage shed referred to in the last Annual Report was completed.

On the arrival in the Colony of the necessary steelwork for the New Carpenter's Shop, a contract was entered into for its erection. This structure was nearly finished, but as it was urgently required by the Locomotive Department in connection with the building of wagons, its completion was delayed.

Indents were sent home through the Crown Agents for steelwork, roofing and glazing required for the extension to the Workshops. This material is expected to arrive early this year.

The boundary wall at Kowloon Station for which provision was made in the Estimates, was not proceeded with. In May an indent was forwarded for a quantity of steel fencing of similar pattern to that now in use, for repairing portions of the existing fence, but the consignment had not arrived at the end of the year.

The over-bridge to the north of Yaumati Station referred to in last year's report was opened on May 10th. The bridge is completed with the exception of the drains which will be laid as the roadway below is formed.

5,285 sleepers were renewed in the main line, of these 1,180 were of reinforced concrete. During the year 1,314 reinforced concrete sleepers were cast. These sleepers are proving most satisfactory and are found particularly useful in checking rail creep, and where laid continuously they entirely prevent it.

Three areas of vacant railway land were let on short leases for the erection of motor bus and car garages at remunerative rates, and further vacant areas of the Hung Hom railway reclamation were leased to the Hongkong & Kowloon Wharf & Godown Company as timber yards.

In July it was decided to erect quarters at Blackhead's Point for those of the traffic staff who are required to reside near to Kowloon Station; and who are at present accommodated in rented houses. Designs were prepared for two blocks of three floors each in reinforced concrete suitable for housing 60 men, and a contract for their construction was awarded by the end of the year.

A new operator's cabin was built at Hung Hom which relieves the operator from all danger in crossing the lines in order to exchange tokens.

Traffic between Kowloon and Sha U Chong in Chinese Territory via the ferry from Taipo, increased to such an extent that the licensee running the ferry service put on a new and much larger launch to cope with it.

After careful consideration the Government decided that a motor road should be built in place of the Fanling Branch Line, and when this is completed the branch line is to be taken up, and the track and rolling stock, including the two new locomotives on order, made over to the Public Works Department for use in connection with development schemes under its control. The branch line will be run as economically as possible until the end of 1924, when it is anticipated that the new motor road will be completed.

A severe typhoon on July 22nd necessitated the suspension of the train service from 1.18 p.m. for the rest of the day. Traffic was again suspended on the 18th of August from 9 a.m. until the afternoon on account of a typhoon.

The Colony experienced an abnormal amount of typhoon weather during the summer months, but only on the two occasions mentioned above, when the typhoons actually struck the Colony, was it necessary to suspend the train service.

The typhoon of the 18th August caused considerable damage to the Railway, more particularly to works on the sea-border. A long length of granite pitching built after the 1913 typhoon was so seriously impaired as to necessitate the slewing of the track for a quarter of a mile. The railway pier and mole at Tai Po suffered considerably, the whole of the timber work of the pier was washed away, the approach mole undermined and the pitching on the eastern side collapsed.

The electric power supplied to the Workshops by the China Light & Power Co. was changed from direct to alternating current, and separate motors of lower power were supplied to most of the machines independently. This resulted in a considerable saving in current consumption, and Government was relieved of the cost of transforming. A new agreement on more favourable terms was entered into with the power company on the completion of the alterations. The two transformers and seven of the old direct current motors have since been disposed of.

The year 1923 was a very unfortunate one for the Railway. The political unrest in the Province of Kwong Tung and consequent periodical disturbances referred to in last year's report continued throughout the year. Naturally the Chinese Section was by far the greater sufferer of the two, but as the working of both Sections is so interdependent, the misfortunes of either reflect on the other, with the result that the receipts from through traffic compare most unfavourably with those of previous years instead of showing a steady improvement.

Trouble commenced on the Chinese Section with the departure from Canton of General Chan Kwing Ming on the 15th January. His troops in a panic made a rush for Shek Lung. About 3.000 were got away by rail when all arrangements were upset by retreating troops stopping trains and forcing the drivers to take them where they willed. Chinese Section engines were left standing wherever they happened to be when coal and water gave out. From this time onwards there was spasmodic and intermittent running of trains until 27th October when all through traffic ceased. There was no express service from the 16th April to the end of the year. Conditions gradually went from bad to worse. Chinese Section locomotives were run, or kept in steam, night and day by the soldiery without proper attention or repairs, derailments and collisions were frequent until there was scarcely and engine in running order on the Chinese Section. Much damage was done to stations, doors and windows being torn out, electrical instruments stolen or smashed, and tickets and documents wantonly destroyed. Of 1,460 tabled Express trains only 264 ran and of 730 Slow Through trains, only 409 ran.

There were occasions when it become necessary for the British Section to withdraw from Shum Chun Station and make Lo Wo Siding the terminus, where the Hongkong Government stationed police or military patrols to prevent Chinese soldiers from crossing the border. It was also once necessary to withdraw from the Sha Tau Kok terminus for the same reason.

During the year the British Section suffered considerable inconvenience by the retention of its goods stock by the Chinese Section. Owing to the commandeering of the Chinese Section rolling stock by the military for the transport of troops and military stores, and the general interference with the working of the Chinese Section, the British Section wagon stock was held up on that Section with the result that goods destined for Canton accumulated in the Railway goodshed at Kowloon to such an extent that many remunerative cargoes amounting to thousands of tons had to be turned away, and several consignments already loaded were eventually withdrawn.

The Gross Receipts for the year were $474,721.78 as against $710,295.75 for 1922, a decrease of $235,573.97. The working expenses exceeded the revenue by $48,791.35.

The Through and Joint Sectional Passengers carried were as follows :—

	1921.	*1922.*	*1923.*
Passengers booked by Stations in British Territory to Stations in China	435,933	526,111	250,719
Passengers booked by Stations in China to Stations in British Territory	462,379	522,909	249,152

The Local Passengers carried were as follows :—

	1921.	*1922.*	*1923.*
Main Line	429,133	639,709	951,001
Fanling Branch Line...........	43,733	52,431	73,838

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a.*)—Hospitals.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital.

The Civil Hospital contains 170 beds in 21 wards. 5,455 in-patients and 28.297 out-patients were treated during 1923 as against 4,447 and 25,892 respectively in 1922. 964 cases of malarial fever were admitted as against 484 in 1922 and 399 in 1921. The total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 166 cases as compared with the year 1922. The Maternity Hospital contains 9 beds for Europeans, plus 3 extra beds, and 8 for Asiatics. 674 confinements occurred during the year as against 617 in 1922. The Victoria Hospital at the Peak contains 41 beds, and during 1923, 299 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 30 cases were treated in 1923, all being infectious.

(*b*).—Lunatic Asylum.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds. 309 patients of all races were treated during 1923 and there was 3 deaths.

(*c*.)—The Tung Wa and other Chinese Hospitals.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies. Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 450 beds in the buildings, and 10,142 patients were accommodated during 1923.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 60 beds and during 1923, 229 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by a General Committee consisting of subscribers and supporters of these institutions, and an Executive Committee consisting of representatives of the London Missionary Society and members of the General Committee.

The Affiliated Hospitals at present consist of the Alice Memorial Hospital Dispensary, temporarily replacing the Alice Memorial Hospital which was sold in 1921, the Nethersole Hospital, opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906.

The number of Inpatients in 1923 was 1,623. and the number of Outpatients. 15,892.

The total Expenditure was $57,934.22. The number of Labours in the Maternity Hospital in 1923 was 456. The Government grant to these Hospitals is $2,000.00 and a special grant is made to the Maternity Hospital of $300.00.

The Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 244 beds and 6,039 patients were accommodated during 1923. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than twelve directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1923 the number of persons admitted was 393 and at the close of the year 66 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc., a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent, the French Convent, (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was $47,984 for the year 1923. The Government makes an annual grant of $12,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 14,200 being an increase of 261 or 1·87 per cent. as compared with 1922. There was in 1923 an increase in serious offences of 123 or 0·54 per cent. as compared with the previous year. The number of serious offences reported was 156 below the average of the quinquennial period commencing with the year 1919. The number of minor offences reported shows an increase of 238 as compared with 1922 and was 1,371 over the average of the quinquennial period.

The total strength of the Police Force in 1923 was Europeans 235, Indians 500, Chinese 805 making a total of 1,540 exclusive of the six superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government departments. Of this force 20 Europeans, 34 Indians, and 169 Chinese were stationed in the New Territories during the year.

The District Watchmen Force, numbering 102, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol. A detective branch of the force has done useful work under the supervision of a European Inspector.

The total number of persons committed to Victoria Gaol was 5,338 as compared with 5,014 in 1922. Of these 926 were committed for criminal offences against 1,358 in 1922. Of committals for noncriminal offences there were 59 less for hawking without a licence, and 24 more for unlawfully boarding steamers, than in 1922.

The daily average of prisoners confined in the Gaol was 861 the average for 1922 being 787, and the highest previous average being 764 in 1921. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·12. The average percentage for the last ten years was 0·12. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 200 prisoners in association.

The prison discipline was very satisfactory, the average of punishments per prisoner being 0·5 as compared with 0·52 in 1922 and 12·6 in 1921.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, tinsmithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $116,714.72 as against $125,571.47 in 1922. A sum of $4,207 was received and credited to Government for non-Government work as against $3,298 in 1922.

IX.—VITAL STATISTICS.

(a.)—POPULATION.

The civil population of the Colony, according to the census taken on April 24th, 1921, was 625,166, of whom 83,163 reside in the New Territories and in New Kowloon; at the census taken in 1911 it was 456,739 with 104,287 as the figure for the New Territories and New Kowloon. The estimated total population at the middle of the year under review was 681,800, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 597,300, of whom 15,500 were non-Chinese.

The distribution of population estimated to the middle of 1923 was as follows:—

Non-Chinese Civil Community,			15,500
Chinese Population.	City of Victoria (including Peak),	350,000	
	Villages of Hongkong,	26,300	
	Kowloon (including New Kowloon),	140,000	
	New Territories,	84,500	
	Population afloat,	65,500	
Total Chinese Population,			666,300
Total Civil Population,			681,800

(b.)—PUBLIC HEALTH AND SANITATION.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hongkong during 1911, 1912, and 1913 elected to remain in the Colony.

The birth-rate for the year was 6·97* per 1,000 among the Chinese community and 23·03 per 1,000 among the non-Chinese community, as compared with 6·25 and 22·84 for 1922.

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* This figure is wholly misleading as it is impossible to register more than a portion of the births.

The death-rate for the year was 23·27 per 1,000 among the Chinese community and 14·83 among the non-Chinese civil community, as compared with 25·47 and 20·46 for 1922.

The deaths from Malaria numbered 674 (454 in 1922). The deaths of Chinese from this cause in the City of Victoria numbered 260 out of a population of 350,000 or a rate of 0·74 per 1,000 per annum.

The deaths from Plague numbered 136 as compared with 1,071 in 1922.

Small-pox deaths numbered 1,141, of which all but nine were Chinese.

There were 4,317 deaths from respiratory diseases other than Pulmonary Tuberculosis as compared with 4,863 in 1921, and 35 of these were among the Non-Chinese community. Pulmonary Tuberculosis claimed 1,472 Chinese and 31 non-Chinese victims whilst other forms of Tuberculosis represent an additional 605 deaths making a total of 2,108 or 13·56 per cent. of the total deaths among the community.

Beri-beri was responsible for 1,270 deaths, as compared with 892 during 1922 and 526 in 1921.

A tabular statement of the principal causes of death is appended.

(*c.*)—CLIMATE.

The climate of Victoria is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is on the average about 3° lower than at the Observatory, Kowloon, in the winter, and 8° lower in the summer. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the SW monsoon, being sheltered by steep hills from SE to SW. In winter it is exposed to the NE monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the south-west side of the Island is protected from the NE monsoon in winter and enjoys the benefit of the SW monsoon in summer.

For further particulars see Appendix F.

POSTAL AND TELEGRAPH SERVICES.

The total revenue from the postal service in 1923 amounted to $714,340.03 being $51,477.92 more than that collected in 1922. The net expenditure amounted to $91,639.77. The balance of revenue over expenditure amounted to $622,700.26.

Table I.—DEATHS REGISTERED IN THE COLONY OF HONGKONG DURING 1923.

		Relapsing Fever.	Rabies (Hydrophobia.)	Dengue Fever.	Paratyphoid Fever.	Influenza.	Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cerebro-spinal Meningitis.	Dysentery.	Plague.	Malarial Fever.	Cholera.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Community,	Civil,	...	...	1	2	6	9	1	12	1	2	5	...	7	1	1	3	1	2	18	1	9	2	2	9	5	6	27	31	5	...	...	16	60	2	217
Chinese Community,	Victoria and Peak,	...	...	...	1	66	857	8	131	27	48	177	12	260	...	12	35	182	67	130	606	141	214	649	49	78	112	1,885	830	417	37	30	173	1973	124	9,331
	Harbour,	...	...	...	...	1	15	...	12	3	6	17	2	41	...	2	7	12	3	45	20	147	11	125	5	3	[illegible]	84	161	33	3	1	16	118	91	988
	Kowloon,	...	1	...	1	7	245	...	13	11	35	100	117	313	...	3	36	137	5	109	22	190	94	402	23	10	63	724	416	341	6	8	166	524	184	4,306
	Shaukiwan,	...	..	...	..	3	13	...	4	1	4	14	1	27	...	...	1	...	...	9	9	67	3	67	1	1	4	61	35	23	...	2	4	109	29	492
	Aberdeen,	...	...	...	...	...	2	...	3	...	...	4	4	13	...	1	...	...	...	...	...	25	1	18	...	1	...	9	28	...	...	...	...	14	1	121
	Stanley,	...	...	...	...	...	...	...	...	...	...	2	...	13	...	...	1	...	...	2	...	16	...	7	...	1	1	...	2	2	...	...	...	1	...	48
Total, 1923,		...	1	1	4	83	1141	9	175	43	95	319	136	674	1	19	83	332	77	313	658	595	325	1270	87	99	190	2,790	1503	821	46	41	375	2799	431	15,536
,, 1922,		1	1	1	3	238	189	36	73	32	38	245	1071	454	...	9	118	221	50	293	290	556	395	829	84	158	223	3,077	1410	597	63	51	293	3145	325	14,569

The revenue collected in 1923 from radio-telegrams amounted to $46,113.24 being $14,060.25 more than that collected in 1922. Advices of vessels signalled at the lighthouses yielded $662.20, and semaphore messages $4.50, making a total of $46,779.94 for the telegraph service. The expenditure amounted to $44,599.23. The number of radio-telegrams forwarded during the year was 3,469 consisting of 40,240 words, and 8,066 received consisting of 98,284 words.

CLAUD SEVERN,
Colonial Secretary.

28th July, 1924.

COLONIAL REPORTS, ETC.

The following recent reports, etc., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page :—

ANNUAL.

No.	*Colony, etc.*	*Year.*
1199	Gilbert and Ellice Islands	1922–1923
1200	Ashanti	,,
1201	Gambia	1923
1202	Bahamas	1923–1924
1203	Hongkong	1922
1204	Nyasaland	1923
1205	Cayman Islands	1922
1206	Cyprus	1923
1207	Gold Coast	1922–1923
1208	Trinidad and Tobago	1923
1209	Zanzibar Protectorate	,,
1210	Bechuanaland Protectorate	1923–1924
1211	Swaziland	1923
1212	Basutoland	1923–1924
1213	Turks and Caicos Islands	1923
1214	Fiji	,,
1215	British Honduras	,,
1216	New Hebrides	,,
1217	Gibraltar	,,
1218	Jamaica	,,
1219	Sierra Leone	,,
1220	Uganda	,,
1221	Grenada	,,
1222	British Guiana	,,
1223	St. Vincent	,,
1224	St. Helena	,,
1225	Barbados	1923–1924
1226	Somaliland	1923
1227	Kenya Colony and Protectorate	,,

MISCELLANEOUS.

No.	*Colony, etc.*	*Subject.*
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, etc.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.
88	Imperial Institute	Oilseeds, Oils, etc.
89	Southern Nigeria	Mineral Survey, 1913.
90	St. Vincent	Roads and Land Settlement.
91	East Africa Protectorate	Geology and Geography of the northern part of the Protectorate.
92	Colonies—General	Fishes of the Colonies.
93	Pitcairn Island	Report on a visit to the Island by the High Commissioner for the Western Pacific.

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COLONIAL REPORTS—ANNUAL.

No. 1288.

HONGKONG.

REPORT FOR 1924.

(For Report for 1922 see No. 1203 (Price 1s.) and for Report for 1923 see No. 1228 (Price 1s. 6d.)).

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HONGKONG.

ANNUAL GENERAL REPORT FOR 1924.

PREFACE.

The Colony of Hongkong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area $28\frac{3}{4}$ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841; the cession being confirmed by the Treaty of Nankin in August, 1842; and the charter bears the date 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 sq. miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration.

GENERAL OBSERVATIONS.

The land boom which had been so marked a feature in recent years continued during the early months of the year, declining steadily thereafter. Rents, however, showed no signs of dropping or ceasing to rise in cases where the Rents Restriction Ordinance did not apply, and the Ordinance was, therefore, kept in operation for a further period of twelve months.

At the British Empire Exhibition at Wembley Hongkong was represented, Mr. E. R. Hallifax, C.M.G., C.B.E., being the Commissioner. The results were quite satisfactory, the wares of Hongkong being brought to the notice of the public in England, and a fair number of orders being received. It was decided that Hongkong should again participate at the second year of the Exhibition.

On the 13th of March, the Legislative Council accepted Sir John Oakley's award respecting the transfer of Military Lands, though it was felt that the values having been paid during the land boom here were too high.

The Colony was visited by a number of distinguished aviators throughout the year. Captain Doisy arrived in May on his flight from Paris to Tokio. The American round-the-world fliers arrived early in June, and later in the same month came the Portuguese aviators on their flight from Lisbon to Macau. Finally at the end of the month arrived Squadron Leader Maclaren in his attempt to fly round the world.

There was much distress in the neighbouring province of Kwang-tung owing to floods, and the Colony gave practical proof of its sympathy when on the 31st July the Legislative Council voted $50,000 in aid of the sufferers.

His Excellency The Govenor accompanied by Lady Stubbs paid an official visit to Manila in February.

On the 18th of February Mr. W. W. Hornell was installed as Vice-Chancellor of the University, and the degree of LL.D. was conferred on the Right Honourable the first Vice-Chancellor, Sir Charles Eliot, G.C.M.G. and on Sir William Brunyate, K.C.M.G., the second Vice-Chancellor.

The Report on the Development of the Port by Mr. John Duncan the Port Engineer was made public on the 7th of December.

Sir Henry Cowper Gollan was appointed Chief Justice in succession to Sir William Rees-Davies on the 15th October.

I.—FINANCES.

The revenue for the year amounted to $24,209,640 being $2,839,706 more than the estimate and $574,123 less than the revenue for the previous year.

Compared with the returns for 1923 there were increases under all the heads except Kowloon-Canton Railway and Land Sales.

The expenditure amounted to a total of $26,726,428 inclusive of a sum of $8,112,785 spent on Public Works Extraordinary.

The detailed figures for 1924 are set out in the following statements:—

HEADS OF REVENUE.	$ c.
Light Dues - - - - - - - -	150,689.01
Light Dues, Special Assessment - - -	165,639.40
Licences and Internal Revenue not otherwise specified - - - - - - -	16,701,771.25
Fees of Court or Office, Payments for specific purposes, and Reimbursements in Aid -	1,659,524.00
Post Office - - - - - - -	825,352.72
Kowloon-Canton Railway - - - - -	420,186.15
Rent of Government Property, Land, and Houses - - - - - - -	1,263,637.40
Interest - - - - - - - -	721,810.40
Miscellaneous Receipts - - - - -	391,793.53
TOTAL, (Ordinary)- - - -	$22,300,403.86
Land Sales, (Premia on New Leases) - -	1,909,235.86
TOTAL - - - -	$24,209,639.72

The total expenditure brought to account amounted to $26,726,428 being $1,801,761 less than the estimate, and $5,154,524 more than the expenditure in 1923. Compared with the estimates there were increases under 16 heads as against 11 heads where there were decreases. The excess amounting to $313,338 under Miscellaneous Services was due to:—

	$ c.
Rent Allowances (Asiatic Staff) - - - -	31,164.00
Stationery - - - - - - - -	59,732.00
Transport of Government servants - -	99,147.00
Flood Relief Fund - - - - - -	50,000.00
Purchase of "The Bracket" - - -	36,000.00
Crown Agents commission - - - -	7,656.00
Gratuity to Mr. T. L. Perkins - - -	8,571.00
Contribution to British Empire Cancer Campaign - - - - - - -	8,496.00
Grant to Hongkong Boy Scouts Association -	4,000.00
	$ 304,766.00

Military Expenditure exceeded the estimate by $233,412 due to increase in revenue. Education Department decreased $108,888 on account of unpaid Building Grants.

EXPENDITURE.	$ c.
Governor - - - - - - - - -	100,831.47
Cadet Service - - - - - - - -	289,630.18
Colonial Secretary's Department and Legislature - - - - - - - -	69,991.32
Secretariat for Chinese Affairs - - -	27,512.96
Audit Department - - - - - -	51,592.62
Treasury - - - - - - - - -	76,662.66
Harbour Master's Department - - -	623,395.92
Imports & Exports Department - - -	872,557.69
Royal Observatory - - - - - -	52,638.49
Miscellaneous Services - - - - -	1,092,558.10
Judicial and Legal Departments - - -	305,286.92
Police Department - - - - - -	1,877,948.69
Fire Brigade - - - - - - -	199,570.25
Prison Department - - - - - -	383,362.70
Medical Department - - - - - -	502,882.89
Sanitary Department - - - - - -	670,945.48
Botanical and Forestry Department - -	86,516.80
Education Department - - - - -	945,642.01
Military Expenditure - - - - - -	4,299,887.34
Public Works Department - - - - -	1,184,767.90
Do. Recurrent - - - - -	1,793,968.69
Do. Extraordinary - - - -	8,112,785.49
Post Office - - - - - - - - -	257,573.59
Kowloon-Canton Railway - - - - -	1,329,927.46
Charge on Account of Public Debt - -	941,923.95
Pensions - - - - - - - - -	503,929.39
Charitable Services - - - - - -	72,137.48
TOTAL - - - - -	$26,726,428.44

The balance to the debit on the year's working was $2,516,788 and the assets and liabilities account showed on the 31st December a credit balance of $13,107,549.29.

The following is a statement of the revenue and expenditure of the Colony for the five years 1920-1924 :—

	Revenue.	*Expenditure.*
	$	$
1920	14,689,672	14,489,594
1921	17,728,132	15,739,652
1922	22,291,065	18,563,003
1923	24,783,763	21,571,905
1924	24,209,640	26,726,428

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £467,442. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000 and there are the sums of $1,444,169 and £103,453 at credit of the Sinking Fund.

A new valuation for Assessment was made for the year commencing 1st July, 1924, resulting as follows:—

Increases :—

The City of Victoria	$387,772
The Hill District	47,610
Shaukiwan, Saiwanho and Quarry Bay ...	20,110
Hongkong Villages	74,411
Kowloon Point	116,380
Yaumati	223,615
Mongkoktsui	30,655
Hunghom and Hok Un	40,540
Kowloon Villages	3,344
New Territories	143,814

The rateable value of the whole Colony amounted to $22,147,951 having increased by $1,088,251.

During the period 1915-1924 the assessment of the whole Colony has risen from $14,287,285 to $22,147,951, an increase in rateable value of $7,860,666.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows:—

Hongkong & Shanghai Banking Corporation	$ 49,603,461
Chartered Bank of India, Australia, & China	11,611,486
Mercantile Bank of India, Limited ...	1,296,455
	$ 62,511,402

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hongkong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins, less those demonetized, now amounts to $17,864,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the

Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $26,235,459 has thus been redeemed. The total issue by the Hongkong Government was of the face value of $44,099,830.

STATEMENT OF SUBSIDIARY COINS.

Received and redeemed (from 1911)

Blue Book 1911. Amount in circulation.		$43,999,830
Since received :—Copper coin.		
1919...	25,000.00	
1923...	25,000.00	
1924...	50,000.00	100,000
Total Amount put into circulation ...		...$44,099,830
Less since redeemed :—		
1911... ...	...5,527,459.04	
1912... ...	...1,040,000.00	
1913... ...	...1,040,000.00	
1914... ...	...5,000,000.00	
1915... ...	...5,100,000.00	
1916... ...	...5,028,000.00	
1918... ...	... 500,000.00	
1922... ...	...3,000,000.00	26,235,459.04
Total Amount of coin in circulation in 1924...		$17,864,370.96

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(a.)—SHIPPING.

The total Shipping entering and clearing at Ports in the Colony during the year 1924 amounted to 764,492 vessels of 56,731,077 Tons, which compared with the figures of 1923 show a decrease of 13,730 vessels and an increase of 3,328,838 Tons.

Of the above 57,765 Vessels of 38,770,499 tons were engaged in Foreign Trade as compared with 49,900 vessels of 35,011,533 tons, in 1923.

Table 1 shows a decrease in British Ocean-going Shipping of 92 ships or 1·7 per cent and an increase of 622,611 tons or 5·5 per cent. This decrease in ships is due to s.s. "*Tai Sang*" "*Wing Sang*" and "*Kasara*" being transferred to the Chinese flag. The increase in tonnage is due to larger vessels frequenting the Port.

Foreign Ocean-going vessels have increased by 426 ships and by 1,358,161 tons or 5·9 per cent in numbers and 9·3 per cent in tonnage. This increase in ships and tonnage is due to more and larger American and German vessels frequenting the Port also to a number of Norwegian, Chilian and Panama vessels put on the Coasting trade.

British River Steamers have increased by 1,112 ships with an increase in tonnage of 826,311 tons or 18·5 per cent in numbers and 15 per cent in tonnage. This increase in ships and tonnage is due to the s.s. "*Fook On*" "*Tung On*" "*Sai On*" and "*Hang Cheong*" built locally being put on the Canton run, also the Chinese s.s. "*Wei Shun*" and "*Ming Shun*" being converted into River Steamers and re-named the "*Paul Beau*" and "*Charles Hardouin*".

Foreign River Steamers show an increase of 427 ships with an increase in tonnage of 182,617 tons or 22·5 per cent in numbers and 27·8 per cent in tonnage. This increase in ships and tonnage is due to the s.s. "*Yang Tse Kiang*" being converted into a River Steamer and re-named the "*Kung On*" also the "*Wc Ping*" being put on the West River run.

In Steamships not exceeding 60 tons employed in Foreign trade there is an increase of 3,020 ships with an increase in tonnage of 89,441 tons or 62·8 per cent in numbers and 62·8 per cent in tonnage. This increase in Launches and tonnage is due principally to the increase in towing trade between this Port and the Taishun District.

A comparison between the years 1923 and 1924 is given in the following table:—

Class of Vessels.	1923.		1924.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going,	5,389	11,222,141	5,297	11,844,752	...	622,611	92	...
Foreign Ocean-going,	7,248	14,671,917	7,674	16,030,078	426	1,358,161	...	...
British River Steamers,	6,008	5,698,350	7,120	6,524,661	1,112	826,311	...	...
Foreign River Steamers,	1,891	657,730	2,318	840,347	427	182,617	...	...
Steamships under 60 tons (Foreign Trade),	4,811	142,392	7,831	231,833	3,020	89,441	...	...
Junks, Foreign Trade,	24,553	2,619,003	27,525	3,298,828	2,972	679,825	...	...
Total, Foreign Trade,	49,900	35,011,533	57,765	38,770,499	7,957	3,758,966	92	...
Steam Launches plying in Waters of the Colony,	705,544	17,077,346	678,750	16,622.806	...	...	26,794	454,540
Junks, Local Trade,	*22,778	*1,313,360	†27,977	†1,337,772	5,199	24,412	...	...
Grand Total,	778,222	53,402,239	764,492	56,731,077	13,156	3,783,378	26,886	454,540
				Nett Increase,	...	3,328,838	13,730	...

* Including 15,134 Conservancy and Dust Boats of 961,910 tons.
† „ 15,212 „ „ „ 654,199 „

Junks in Foreign trade show an increase of 2,972 vessels, and an increase of 679,825 tons or 12·1 per cent in numbers and 25·8 per cent in tonnage This increase is due to the improvement of trade between this Port and Canton, Macao, East and West River Ports.

In Local trade (*i.e.* between places within the waters of the Colony) there is a decrease in Steam-Launches of 26,794 and a decrease in tonnage of 454,540 tons or 3·8 per cent in numbers and 2·6 per cent in tonnage. This decrease in numbers and tonnage is due to a number of launches being laid up during the year on account of the high cost of fuel.

Junks in Local Trade show an increase of 5,199 vessels and an increase of 24,412 tons or 22·8 per cent in numbers and 1·8 per cent in tonnage. This increase in vessels and tonnage is due principally to the improvement of trade and the installing of the Junk Office at Shaukiwan.

Of vessels of European construction 6,484 Ocean Steamers 4,715 River Steamers and 3,856 steamships not exceeding 60 tons entered during the year, giving a daily average of 41·2 ships as compared with 34·7 ships in 1923 and 33·2 ships in 1922.

The average tonnage of Individual Ocean vessels entering the Port has increased from 2,053·2 to 2,129·8 tons, British Ships from 2,070·9 to 2,234·3 tons Foreign Ships from 2,040·3 to 2,057·6 tons.

The average tonnage of Individual River Steamers entering during the year has increased from 628·1 to 659·8 tons, British River Steamers from 809·9 to 819·5 tons and Foreign River Steamers from 332·7 to 340·3 tons.

The actual number of Individual Ocean-going vessels of European construction during the year 1924 was 1,123 of which 416 were British and 707 Foreign. In 1923 the corresponding figures were 1,186, 529 British and 657 Foreign.

These 1,123 ships measured 3,552,722 tons. They entered 6,484 times and gave a collective tonnage of 13,809,974 tons.

Thus 63 Less Ships entered 163 more times and gave a collective tonnage greater by 830,941 tons, an average of 5,097·7 tons per entry.

Thus :—

Flag.	Steamers.		No. of times entered.		Total Tonnage.	
	1923.	1924.	1923.	1924.	1923.	1924.
British, ...	529	416	2,691	2,650	5,572,944	5,921,002
Japanese, ...	285	269	1,337	1,324	3,129,156	3,154,550
U.S.A., ...	84	100	272	275	1,421,952	1,423,490
Chinese, ...	79	59	788	548	650,643	453,092
German, ...	29	33	71	79	275,583	317,416
Danish, ...	16	20	58	73	141,171	180,513
Dutch, ...	46	53	221	262	666,173	807,254
French, ...	39	39	281	278	515,507	535,528
Italian, ...	6	17	23	41	95,222	154,371
Panamaian, ...	6	4	105	33	63,242	34,843
Chilean, ...	6	8	122	257	52,975	130,606
Norwegian, ...	32	71	215	287	266,564	443,067
Portuguese, ...	13	17	108	200	51,003	91,017
Russian, ...	2	—	3	—	2,331	—
Siamese, ...	2	—	2	—	2,621	—
Swedish, ...	9	13	14	60	47,932	120,830
Spanish, ...	3	4	10	17	24,014	42,395
Total.	1,186	1,123	6,321	6,484	12,979,033	13,809,974

The Nationalities of the Crews in British and in Foreign Ships were as follows :—

	VESSELS.		BRITISH CREW.		OTHER EUROPEANS AND AMERICANS.		ASIATICS.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
British, ..	529	416	81,710	36,666	2,263	479	303,231	209,151
Foreign,	655	707	1,088	1,708	35,558	44,841	267,770	226,048
Total, ...	1,184	1,123	82,798	38,374	37,821	45,320	571,001	435,199

Hence in British ships :—

1923.	*1924.*	
21·10 %	14·89 %	of the crews were British.
00·59 %	00·20 %	of the crews were other Europeans & Americans.
78·31 %	84·91 %	of the crews were Asiatics.
100·00 %	100·00 %	

2nd in Foreign ships: —

1923.	*1924.*	
00·36 %	00·63 %	of the crews were British.
11·68 %	16·45 %	of the crews were other Europeans & Americans.
87·96 %	82·92 %	of the crews were Asiatics.
100·00 %	100·00 %	

Trade.

Statistics of Imports and Exports are collected and published by the Imports and Exports Department.

Imports.

The number and tonnage of ships of European type of construction carrying cargo for import and transit compared with 1923 were as follows :—

	1923.		1924.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers, ...	6,321	12,979,033	6,484	13,809,974	163	830,941	—	—
River Steamers,	3,951	3,153,891	4,715	3,632,438	764	478,547	—	—
Sailing Vessels,	—	—	—	—	—	—	—	—
Total, ...	10,272	16,132,924	11,199	17,442,412	927	1,309,488	—	—
				Nett Increase.......	927	1,309,488	—	—

The corresponding figures relating to ships of European type of construction, shipping bunker coal, are as follows:—

EXPORTS.

	1923.		1924.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers, ...	6,316	12,915,025	6,487	14,064,856	171	1,149,831	...	...
River Steamers, ...	3,948	3,202,189	4,723	3,732,570	775	530,381	...	...
Sailing Vessels,	...	...	...	...	...	...	...	
Total,	10,264	16,117,214	11,210	17,797,426	946	1,680,212	...	
				Nett Increase,......	946	1,680,212	...	...

	1923.		1924.		Increase.		Decrease.	
	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.
Steamers, ...	6,316	543,324	6,487	506,520	171	...	...	136,804
River Steamers, ...	3,948	62,737	4,723	90,974	775	28,237	...	...
Total,...............	10,264	606,061	11,210	597,494	946	28,237	...	136,804
				Nett Increase,......	946	...	...	108,567

The River Trade compared with 1923 is shown in the following Table:—

Year.	Imports Tons.	Exports. Tons.	Passengers.
1923	369,685	589,849	1,923,909
1924	493,711	663,802	2,536,768

The following Tables show the Junk Trade of the Colony for the year 1923 and 1924 :—

IMPORTS.

	1923.		1924.	
	Junks.	*Tons.*	*Junks.*	*Tonnage.*
Foreign Trade,	12,234	1,297,253	13,661	1,644,206
Local Trade,	3,759	173,365	6,206	368,494
Total,	15,993	1,470,618	19,867	2,012,700

Cargo.	*Tons.*
Cattle, 764 heads,	89
Swine, 11,912 heads,	700
Earth and Stones,	12,178
General,	592,573
Total,	605,540

EXPORTS.

	1923.		1924.	
	Junks.	*Tons.*	*Junks.*	*Tonnage.*
Foreign Trade,	12,319	1,321,750	13,864	1,654,622
Local Trade,	3,885	178,085	6,559	315,079
Total,	16,204	1,499,835	20,423	1,969,701

Cargo.	*Tons.*
Kerosine,	47,596
Rice and Paddy,	388,883
Coal,	168,344
General,	603,763
Total,	1,208,586

Emigration and Immigration.

One hundred and Twenty-nine thousand, eight hundred and fifty-nine (129,859) emigrants left Hongkong for various places during the year 1923, (120,224 in 1923). Of these, 72,259 were carried in British ships, and 57,600 in foreign ships.

One hundred and thirty thousand, one hundred and ninety-four (130,194) returning emigrants were reported to have been brought to Hongkong from the several places to which they had emigrated either from this colony or from coast ports, as against 121,102 in 1923. Of these, 68,307 arrived in British ships, and 61,887 in foreign ships.

Statement of number of emigrants to Straits Settlements, 1913 to 1924, compared with total Chinese emigration.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1913	102,353	142,759
1914	44,974	76,296
1915	41,278	68,275
1916	82,797	117,653
1917	63,292	96,298
1918	8,019	43,830
1919	11,638	59,969
1920	43,935	105,258
1921	87,324	156,011
1922	50,356	98,393
1923	65,584	120,224
1924	75,682	129,859

(b.)—INDUSTRIES.

Engineering and Shipbuilding.—The figures are as follows for the years 1923 and 1924 :—

1923.

H.K. & Whampoa Dock Co., Ld.	5	vessels of	9,577	gross tons and	7,680	I.H.P.
Taikoo Dockyard & Eng. Co., Ld.	5	,,	4,711	,, ,,	3,120	,,
W. S. Bailey & Co., Ld.	7	,,	830	,, ,,	700	,,
Total	17	vessels of	15,118	gross tons and	11,500	I.H.P.

1924.

H.K. & Whampoa Dock Co., Ld.	23	vessels of	4,845	gross tons and	5,315	I.H.P.
Taikoo Dockyard & Eng. Co., Ld.	12	,,	8,754	,, ,,	7,000	,,
W. S. Bailey & Co, Ld	26	,,	1,763	,, ,,	310	,,
Kwong Sang Lung Co., Ld.	1	,,	53	,, ,,	90	,,
Ching Ngai	2	,,	373	,, ,,	900	,,
Total	64	vessels of	15,788	gross tons and	13,615	I.H.P.

Sugar—.The trend in prices of raw sugar was in a downward direction practically throughout the year, closing values at the end of December being about the lowest. The chief cause is to be found in the increase in beet sugar production over the previous year, such increase being about two million tons. The difference between the highest and lowest prices recorded for Java Sugars in Hongkong during the year was $5.40 per picul for Java Whites and $5.30 per picul for Java Browns.

This as is invariably the case, reacted very quickly in the refined markets throughout China, and whereas sales were being made from the middle of February to the middle of March on the basis of Shanghai Taels 12 per picul, selling limits from that time on had to be gradually reduced, until in December the rate was as low as Taels 8.3 mace per picul.

Adverse trading conditions in China also seriously handicapped the Hongkong Refineries and in August last when a sudden and quite unprecedented demand arose for Refined Sugar, business had to be entirely suspended owing to the hostilities in the North and the inability of dealers to finance their business owing to the financial stringency which followed the outbreak of hostilities.

Cotton.—American Cotton fluctuated considerably in 1924, the tendency being towards a lower basis.

The year opened with Liverpool quotations at 21.06*d.* per lb.

Prices gradually fell, with one or two minor setbacks, to 16.05*d* on 28th March, when a sudden reaction set in and the raw material advanced to 19.30*d* on 11th April.

A gradual decline was then registered until the end of the year, with a temporary rise during July and the market closed at 13.65*d.* on 31st December.

The lowest value registered during the year was 13.00*d* in the middle of December.

Rope Making.—The demand for Manila Cordage was fairly good during the first six months of 1924 but it fell off in the second half of the year owing to the very high cost of Manila Hemp, prices for which rose continually throughout the year. The total turnover was not so good as in the previous year owing chiefly to the competition of the Rope Factories at Manila who have a preferential duty in the United States and can therefore place their surplus production on foreign markets at prices which probably barely cover actual cost.

(c.)—FISHERIES.

A considerable proportion of the boat population of Hongkong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(d.)—FORESTRY, AGRICULTURE, AND BOTANY.

Formation of Pine tree plantations.

Seeds of Pinus Massoniana were sown *in situ* on the following places, seventy-two pounds of seed being used :—50,000 on hillsides above the Shek O Road, 20,000 at Quarry Bay, 30,000 on Cheung Chau Island and 20,000 on slopes adjoining the catchment area, Taipo Road.

For the formation of new plantation 657 pounds were sown broadcast on grassy banks above and below Shek O Road, above and below road from Shaukiwan Gap to Tytam, above and below Stubbs, Broadwood, Taipo, Tsun Wan and coastal roads and on grassy slopes adjoining public paths on Cheung Chau Island.

Broadcast sowing was carried out on areas badly damaged by fires above Pokfulam Road, below Matilda Hospital, Mt. Kellet and Telegraph Bay, a total of 260 pounds of seed being used.

Two thousand one year old tress of *Pinus Massoniana* were taken up from ground adjoining Beacon Hill Nursery site and replanted further up the hillsides in Plantation 9A and 9B.

Broad-leaved trees planted.

At Tai Wo Po, all remaining flat spaces were planted with young Camphor trees to the total number of 6,082.

The following flowering and shade trees were planted alongside the principal roads in Hongkong, the Kowloon Peninsula and the New Territories, *Eucalyptus tereticornis* 58, *Callistemon rigi dus* 152, Camphor 17, *Bauhinia variegata* 19, *Lagerstroemia indica* 9, also small numbers of the following were planted to replace failures, *Poinciana regia*, *Aleurites montana* and *Tristania conferta*.

Care of trees in plantations.

Clumps of Lorandthus were removed and very large numbers of creepers cut.

Pine tree caterpillars appeared in plantations at Chuk Yuen, Ngau Chi Wan, Fan Ling and Cheung Chau. They were immediately dealt with ; the total amount collected and destroyed amounted to 155 piculs.

One new fire barrier 1¼ miles in length was made in Plantation 7C, below Matilda Hospital, Mount Kellet.

The total lengths of old barriers cleared before the dry season amounted to 18¼ miles in the New Territories, 17 miles in Hongkong and 5¾ miles at Fan Ling.

Removal of trees.

At Shing Mun large numbers of *Pinus Massoniana* and other native trees were removed at the request of the Public Works Department to allow of road-building and other works; in both Hongkong and Kowloon the sale of land for building lots has necessitated the removal of many thousands of trees

One very fine specimen of *Bombax malabaricum* had to be sacrificed at "Jardine's Hill", Praya East, to allow of road improvements.

The usual removal of undergrowth as part of the campaign against malaria was conducted throughout the whole year, the total area cleared amounting to over 7,600,000 square feet while the total area cleared for survey purpose by P.W.D. 7,000,000 square feet.

Nurseries, Agriculture, &c.

In the 9A Nursery, Kowloon, six thousand young Camphor were raised and planted out and a large stock of "Jak" (*Artocarpus integrifolia*) and Water Pine (*Glyptostrobus heterophyllus*) now in the beds are available for planting at any time.

The whole of the beds in the Little Hongkong Nursery were sown with Camphor seeds and over 5,000 young trees raised in readiness for the replanting of the adjoining cleared area of Little Hongkong Forest.

At the Fan Ling Experimental Garden a crop of *Perilla ocymoides* grown from seed was tried and grew well but the yield of seed was very small and insufficient to crush for the determination of the quantity of oil present.

Young trees of *Aleurites montana* continue to do well and a large number are now ready for roadside planting, next year.

The first and second crops of rice were good and the Smooth Cayenne pine apples fruited well, the fruit is much heavier than that of the local species and of a superior flavour.

Some trees of "Buddha's Finger Citron" (*Citrus Medica*, var *Cherocarpus*) which were procured from Wat Nam in 1922 produced about 30 very large fruits.

Eleven thousand six hundred and sixty-one packages containing 1,465,360 bulbs of *Narcissus Tazetta* were inspected and certified for export to the United States of America, Honolulu, Canada and the United Kingdom.

(*e.*)—Land Grants and General Value of Land.

The net amount of premium received from sales of Crown Land exclusive of the New Territories for the year 1924 was $1,657,686.60 a decrease of $1,234,759.18 on the preceding year but $137,515 more than the average for the previous five years.

The principal items were $90,025 for Inland Lot No. 2462, $62,000 for Inland Lot No. 2366, $60,000 for Inland Lot No. 2479, $162,231 for Rural Building Lot No. 245, and $217,100 for Kowloon Inland Lot No. 1736.

In the New Territories the net amount received for premium was $245,130.76, the principal item being $16,400 for New Kowloon Inland Lot No. 570.

A considerable number of lots have been resumed in the course of the year in connection with the Town Planning and other development schemes, in many cases new lots have been granted in exchange for lots surrendered for the purpose of giving effect to the Town Planning Scheme.

The total area of land sold or granted during the year was 418 acres 3 roods $8\frac{11}{20}$ poles of which 410 acres 1 rood $8\frac{3}{8}$ poles were dealt with by the District Officers.

The total area of land resumed was 294 acres 3 roods $14\frac{1}{2}$ poles.

The number of deeds registered in the Land Office was 6,000, 837 less than the year 1923, which was a record year. The aggregate consideration set out in deeds registered in the Land Office was $184,103,616.75 as against $223,828,607.85 in 1923.

Considerable progress has been made with the Town Planning Scheme on the Eastern side of the Kowloon Peninsula and also in New Kowloon.

In the Northern District of the New Territories the demand for building sites and land generally continued to be brisk during the first half of the year and good prices were obtained, in the Southern District the demand for agricultural land everywhere was weak whilst for building land it continued strong. In both Districts the introduction of a condition of sale restricting alienation before fulfilment of the building covenant seems to have eliminated the speculator and given genuine buyers a better chance.

Development continues in some districts in the New Territories, another large area for brickworks at Castle Peak was sold early in the year and several lots were acquired for industrial purposes at Ts'ing Yi and Ts'un Wan.

III.—LEGISLATION.

Thirteen (13) Ordinances were passed during 1924, of which ten were amendments of previous Ordinances.

IV.—EDUCATION.

The European staff was increased by Twelve new appointments from England during the year.

The total number of pupils at schools in the Colony excluding the Police School are :—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools	3,987	41	4,028
Military Schools	142	—	142
Excluded Private Schools	256	—	256
Grant Schools	4,297	1,076	5,373
Controlled Private Schools	5,670	27,015	32,685
Controlled Private Schools, New Territories	31	4,821	4,852
Technical Institute	597	—	597
Total	14,980	32,953	47,933

The most important schools, apart from the excluded schools, are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance housed in a building presented to the Colony by the late Sir Ellis Kadoorie. *Central School* and Quarry Bay, *Kowloon Junior* and *Victoria Schools* for children of British parentage have an average attendance of 239. There is also a school for the children of the Peak District with an average attendance of 46. The *Diocesan School and Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian*, *French*, and *St. Mary's Convents*, the *Diocesan Girls' School*, and *the St. Stephen's Girls School* are the most important of the English Grant Schools for girls.

The Hongkong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1923 in Building Construction, Machine Drawing, Mechanics, Chemistry (Practical and Theoretical), Physics, Electricity, Commercial English, French, Shorthand, Book-keeping. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from the members of the Medical and Educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped Chemical Laboratory and excellent Physical apparatus.

The University of Hongkong, incorporated under the local University Ordinance, 1911, and opened in 1912, is a residential University for students of both sexes for the promotion of Arts, Science and Learning, the provision of higher education, the development and formation of the character of students of all races, nationalities, and creeds.

The late Sir Hormusjee Mody, bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, supplemented by clinical work in the Government Civil and Tung Wah Hospitals, leading to the degree of M.B., B.S. The degrees of M.D., and M.S., may be obtained for post-graduate work. The degrees above-mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure Arts and Science, Education (including practical teaching) and Commerce. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to better securing the maintenance of the desired standard—which in the Faculty of Medicine is that of an English University degree and in the Faculty of Engineering that of the corresponding degree in the University of London—external examiners are, in all Faculties, associated with the internal examiners in all annual and final examinations. In the Faculty of Engineering, but not in other Faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is also granted, *honoris causa.*

The site of the University was given gratuitously by the Colonial Government. As subsequently enlarged by minor grants and by purchase, it includes an area of some 25 acres, looking out upon the harbour over the City of Victoria.

In the main buildings are housed the Chemical, Physical and Biological Laboratories, the University Library and portions of the Engineering Laboratories. They further include a Great Hall, a Senate Room and the Lecture and Class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of Anatomy, Physiology, Pathology and Tropical Medicine, erected at the cost of Chinese gentlemen risident in the Colony. In the case of each of the three schools last mentioned a large or smaller sum still remains available for further equipment.

Special engineering buildings include :—

(*a*) a Power Station, generating light and power for the estate, energy being supplied by internal combustion engines of varied types which are available for instructional purposes ;

(*b*) a Prime Movers (steam) and Hydraulics Laboratory, at present housed in a converted Pumping Station, formerly the property of the Government ; and

(*c*) A Workshop, of demensions 90′ × 96′ for practical instruction of students.

Electrical machinery (other than the main generating plant), electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include :—

(*a*) the Vice-Chancellor's Lodge

(*b*) Staff-Quarterers

(*c*) the resident Hostels, and

(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University, or in a recognised Hostel.

The University Hostels are three in number—Lugard Hall, Eliot Hall, and May Hall.

Recognised Hostels are at present two in number—Morrison Hall, situated immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual Common rooms. Each University Hostel is in charge of a member of the staff, as resident Warden.

No University Hostel at present exists for women students—whose right to admission to the University was first recognised in 1921 : but by the courtesy of the school authorities, arrangements have been made for their lodging in connection with St. Stephen's Girls' College.

University fees for tuition and board amount to $550 per annum, enabling a student who lives carefully to meet the whole of his expenses with a sum of $1,000 per annum, as compared with a minimum sum of $2,500 per annum, besides travelling expenses, in the case of a Chinese student going abroad for his education.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government, the President's Scholarships founded by His Excellency the President of China, together with Scholarships (some of which are in the nature of bursaries) given by the Hongkong Government, the Chinese Government, the Metropolitan District of Peking, the Provincial Governments of Canton, Chihli, Yunnan and Hupeh, the Governments of the Straits Settlements and the Federated Malay States, the Government of Kedah and the Siamese Government. Students are also drawn from the Philippines, French Indo-China and Australasia.

During 1923 an Honorary Degree was conferred upon the Hon. Sir Paul Chater, C.M.G., who has held the post of Honorary Treasurer since the foundation of the University.

A donation of $300,000 was received from the Hongkong Government in final liquidation of the balance of $1,000,000 which the Government promised in 1920 to contribute to the University Endowment Fund. A benefaction of $250,000 was also received from Sir Paul Chater to be known as "The Chater Endowment Fund", the income to be applied to the general funds of the University.

The total cost of the land, buildings and equipment of the University may be placed at approximately $1,750,000 and their replacement value at not less than $2,500,000, while the invested endowments exceed $3,000,000.

PUBLIC WORKS.

BUILDINGS.

During the year progress as stated was made on the following works:—

Hongkong.—The New Central Fire Bridgade Station, contract for the superstructure, was let to Messrs. Trollope & Colls. Contracts were let for the superstructure of the Sai Ying Poon School and the construction of the Ex. to Govt. Civil Hospital Sisters Quarters. Govt. Quarters at Le Calvaire (2 blocks of 4 houses each) one block finished. A large underground public trough closet at Western Street and a Public Garage on the Stubbs Road were finished. New Queen's College site approached completion. Open Markets at Whitfield and Shaukiwan were finished.

Kowloon.—Kowloon Hospital good progress made towards completion. The New Yaumati Police Station, Open Market at Bowring and two Public Trough Closets were finished.

New Territories.—New Gaol at Ngau Shi Wan, contract let for pile foundations. Five Blocks of Quarters for Native Married Police finished. Kowloon City and Shamshuipo Police Stations contracts let and good progress made.

COMMUNICATIONS.

Hongkong.—Road from Taitam Gap to Shek O Extension of Stubbs Road from Magazine Gap to Peak Tram Station. Road above Conduit Road, (1st section), and Broadwood Road-Wongneichung Road connection were finished. Road contouring Wongneichung and Tai Hang Valley made good progress. Main Road from Causeway Bay to Quarry Bay made fair progress in places. Improvements were continued on Kennedy, Bonham, Conduit, Pokfulam and Victoria Roads.

Kowloon.— Work on the removal of the hill obstruction at the junction of Nathan and Coronation Roads made good progress. Waterloo Road Extension North and East, Tokawan Road and Chatham Road Extension Mongkok-Kowloon City Road made good progress.

New Territories.—Widening of Fan Ling-Au Ha Gap Road to 20 ft. and extension to Shataukok made good progress. Widening of bridges on Castle Peak-Fan Ling Road to 20 ft. put in hand. Improvements to the Kowloon-Taipo Road and the metalling and tar painting of New Territories Roads were continued.

DRAINAGE.

Hongkong.—A 9.6 horseshoe concrete culvert from Wanchai Road to Praya and a 7·6 concrete culvert from Leighton Hill Road to Praya were finished.

Kowloon.—The Extension of the Mongkoktsui Nullah to the Old Kowloon Boundary was completed. Ma Tau Chung Nullah made slow progress.

New Territories.—The Nan Ching Street Nullah from the water front to the Tai Po Road was completed and the Extension of the Mongkoktsui Nullah from the old Kowloon Boundary to the Kowloon Range of hills progressed satisfactorily.

WATER WORKS.

Hongkong.—The Upper tier of beds at the Eastern Filter Beds were completed and put into use, whilst construction of the lower tier was well advanced. The service reservoir side walling was started.

The extension to Tytam Tuk Pumping Station was well advanced and the engine, pumps and boiler have been ordered from England.

Fair progress has been made with Stanley Mound East, Stanley Mound West and Jardine's Lookout Catchwaters.

A new 8" dia. W. I. main has been laid from the Pokfulam Road Pumping Station to the 750' Tank.

The laying of a new C. I. main 15" in dia. in Queen's Road and along the Praya East was begun.

Tenders from various English firms were received in connection with the proposed conversion of Bowen Road Filter Beds to Mechanical or Fast Gravity Filters.

Kowloon.—Various improvements to the distributing mains were carried out.

The construction of Pipers Hill Service Reservoir commenced and excellent progress was made.

Good progress was made with the construction of four new filter beds for Kowloon.

New Territories.—Fair progress was made with the construction of the Shek Lai Pui Reservoir which was approximately half completed by the end of the year.

The construction of the Kowloon Catchwater extension continued slowly during the year.

Shing Mun Valley Scheme.—The construction of the Access Road from Tsun Wan to Pineapple Pass progressed very slowly.

Contracts were let to Messrs. Sir W. G. Armstrong & Co. in November for the construction of the N. & S. Tunnels and the South Conduit and to Messrs. Trollope & Colls (Far East) Ltd. in December for the construction of the Raw Water Reception Reservoir below Shek Lai Pui.

Surveys in connection with the remainder of the 1st section of the Scheme were carried out and the indent for the trunk mains was practically ready.—Enquires re filtering plant were forwarded and tenders were received from several British firms by the end of the year. Borings across the harbour were taken between Nathan Road and Jackson Road.

RECLAMATIONS.

Hongkong.—North Point private schemes made fair progress.

Kowloon.—The Tai Tsek Reclamtion (a private scheme at Kowloon City) made poor progress. Kowloon Bay West Reclamation made good progress.

New Territories.—The Standard Oil Co. and the Kailan Mining Administration (private) Reclamations at Laichikok, made good progress.

PIERS.

Hongkong.—Queen's Pier, the roofing was finished but the masonery entrance made poor progress owing to labour troubles.

MISCELLANEOUS.

Good progress was made with the levelling of the Kowloon Tong Development Scheme areas approximately 13 acres being handed over to the Company during the year.

The total amount expended on Public Works Extraordinary was $8,112,785.49 and on annually recurrent works $1,793,968.69.

RAILWAY.

The new Carpenter's Shop mentioned in last year's Annual Report was completed early in the year, and a siding from the yard laid into it.

The steelwork for the Extension to the Workshops arrived in June and the building was proceeded with at once and good progress made.

Owing to extensive devolpment in the neighbourhood, it was decided to complete Bridge No. 4 situated at the second mile. This bridge spans a 100-foot main road on the skew and was designed to give a 60 feet clear span and two sidespans to provide for causeways of 10 to 15 feet each. The steelwork was ordered for double track, but only that for the main span arrived in time for the opening of the Railway. The sidespans (comprising four 45 feet single line spans) which had been lying in store for twelve years, were reconditioned and two were erected by the end of the year, and the line diverted over them. The remaining spans will be erected and the bridge completed in 1925.

The building of the two blocks of quarters for the Traffic Staff at Blackhead's Point mentioned in last year's Report was proceeded with, but not quite completed by the end of the year. They were ready for occupation by March 1st this year.

The roof of one of the buildings taken over from the China Light & Power Company and used as a motor repair shop, was condemned and arrangements made for a new steel roof with northern lights to replace it. The old roof which leaked badly was unsafe in typhoon weather and was irreparable. This work was given to a local engineering firm and is expected to be completed early in 1925.

A siding was laid from Kowloon Station across the circulating area in front, to connect with the Hongkong and Kowloon Wharf and Godown Company's premises. The siding, which is 273 feet long to the Company's boundary, is laid on concrete with two guard rails. An agreement was entered into with the Company regarding its cost and use.

In connection with the Harbour Improvements, it became necessary to alter the position of the submarine cables crossing to Kowloon, and four cable houses were built in the Kowloon Station south verandah to receive the terminals of the cables belonging to the Eastern Extension Telegraph Company, the China and Japan Telephone & Electric Company, the Military Authorities, and the Government. Permission was granted the Eastern Extension Telegraph Company to connect their cable with aerial lines over Railway lands onto their existing poles to Canton which follow the Railway from Mile 1½.

In view of frequent damage by typhoons to the Government and Railway telephone overhead wires alongside the Railway, it was decided to substitute an underground cable for the aerial wires, and a commencement was made during the year between Taipo and Taipo Market Stations.

Less attention was given to maintenance work on the Fanling Branch Line in anticipation of its being taken up by the end of the year, as mentioned in last year's Report, but progress with the new road has been delayed and more attention to the railway track may be necessary in 1925.

The four new 4-6-4 locomotives arrived during the year, one of the underframes however was very badly twisted and out of line. This was straightened with the aid of the new 65-ton crane.

The first of these locomotives, No. 9 arrived on May 19th and was erected forthwith and in steam by June 20th. No. 11 was completed on August 20th, and No. 12 on September 25th. No. 10 which had the twisted frame was not completed until December.

These engines have a much greater tractive force than the earlier ones, and so far we have experienced no trouble with them and are more than satisfied with their running performance.

The 65-ton Breakdown Crane arrived in the Colony at the end of July and erection was immediately started and completed by October. The crane was employed in connection with the assembling of No. 10 locomotive, for erecting bridge girders, and also on several occasions for loading and unloading heavy pieces of machinery from railway trucks.

Two new 4-4-0 type 2′-0″ gauge locomotives for the Fanling Branch arrived at the end of July and were put into service by the end of September. These locomotives will be handed over to the Public Works Department when the road to Sha Tau Kok is completed and the Railway closed down, and should prove very useful.

Very extensive repairs and work on Government motor vehicles were carried out during the year, in fact this department has grown so much since it was started that at times there is great difficulty in coping with the work. It was also handicapped for a considerable time owing to the necessity of rebuilding the roof over the Motor Repair Workshop.

In addition to the general motor repair work, the following vans were built for other Government Departments:—

One steel Mail Van for the General Post Office.

One steel van for the Prison Department.

Five steel vans for the Sanitary Department for conveying meat.

One steel van for the Police Department for carrying prisoners on the mainland.

One Emergency Lorry for the Fire Brigade Department.

The year 1924 has witnessed no change for the better in the prospects of the Railway. The disturbances in Canton and Kwangtung province, which began in January 1923, continued throughout the whole of the year.

An attempt was made on September 1st to resume the running of the Slow Through Trains, but this was discontinued after 12 days.

The position as regards the retention of British Sectional rolling stock by the Chinese Section has improved, a number of goods wagons being returned. There are now only 15 wagons held by the Chinese Section.

The receipts under Through and Joint Sectional Traffic for the year amounted to only $1,922.01, as compared with $153,447.25 for the previous year, and $500,814.90 for 1922, the last year during which traffic was normal.

The Gross Receipts for the year were $420,186.15 as against $474,721.78 for 1923, a decrease of $54,535.63. The suspension for practically the whole year of Through and Joint Sectional Traffic referred to above being alone responsible.

The working expenses exceeded the revenue by $87,628.27.

The Fanling Branch Line Receipts have improved under both heads.

Through and Joint Sectional passengers carried were as follows:—

	1922.	*1923.*	*1924.*
Passengers booked at Stations in British Section to Stations in China including Lowu..........................	526,111	250,719	168,734
Passengers booked at Stations in China including Lowu to Stations in British Territory	522,909	249,152	157,115

The Local Passengers carried were as follows:—

	1922.	*1923.*	*1924.*
Main Line	639,709	951,001	1,177,234
Fanling Branch Line...........	52,431	73,838	82,505

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(a)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital.

The Civil Hospital contains 198 beds in 23 wards. 6,106 in-patients and 31,347 out-patients were treated during 1924 as against 5,455 and 28,297 respectively in 1923. 1,020 cases of malarial fever were admitted as against 647 in 1923 and 484 in 1922. The total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 385 cases as compared with the year 1923. The Maternity Hospital contains 9 beds for Europeans, plus 3 extra beds, and 8 for Asiatics. 789 confinements occurred during the year as against 787 in 1923. The Victoria Hospital at the Peak contains 41 beds, and during 1924, 317 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 27 cases were treated in 1924, being infectious.

(b.)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds. 367 patients of all races were treated during 1924 and there was 7 deaths.

(c.)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies, Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 450 beds in the buildings, and 9,940 patients were accommodated during 1924.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 70 beds and during 1924, 147 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by a General Committee consisting of subscribers and supporters of these institutions, and an Executive Committee consisting of representatives of the London Missionary Society and members of the General Committee.

The Affiliated Hospitals at present consist of the Alice Memorial Hospital Dispensary, temporarily replacing the Alice Memorial Hospital which was sold in 1921, the Nethersole Hospital. opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906.

The number of Inpatients in 1924 was 1,712, and the number of Outpatients, 13,504.

The total Expenditure was $58,133.93. The number of Labours in the Maternity Hospital in 1924 was 524. The Government grant to these Hospitals is $2,000.00 and a special grant is made to the Maternity Hospital of $300.00

The Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 210 patients. The existing buildings contain 211 beds and 6,688 patients were accommodated during 1924. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital receives a grant of $8,500 per annum from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than twelve directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1924 the number of persons admitted was 412 and at the close of the year 69 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc, a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent, the French Convent, (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infections disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was $62,738 for the year 1924. The Government makes an annual grant of $12,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 17,566 being an increase of 3,366 or 23·7 per cent. as compared with 1923. There was in 1924 an increase in serious offences of 548 or 13·7 per cent. as compared with the previous year. The number of serious offences reported was 170 over the average of the quinquennial period commencing with the year 1920. The number of minor offences reported shows an increase of 2,818 as compared with 1923 and was 3,424 over the average of the quinquennial period.

The total strength of the Police Force in 1924 was Europeans 235, Indians 504, Chinese 805 making a total of 1,544 exclusive of the six superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government departments. Of this force 15 Europeans, 29 Indians, and 141 Chinese were stationed in the New Territories during the year.

The District Watchmen Force, numbering 122, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol. A detective branch of the force has done useful work under the supervision of a European Inspector.

The total number of persons committed to Victoria Gaol was 7,382 as compared with 5,338 in 1923. Of these 1,644 were committed for criminal offences against 926 in 1923. Of committals for noncriminal offences there were 23 more for hawking without a licence, and 30 less for unlawfully boarding steamers, than in 1923.

The daily average of prisoners confined in the Gaol was 106 the average for 1923 being 861, and the highest previous average being 707 in 1922. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·13. The average percentage for the last ten years was 0·12. Owing, however, to the large floating population, which is constantly moving between the Colony and Canton, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 350 prisoners in association.

The prison discipline was very satisfactory, the average of punishments per prisoner being 0·43 as compared with 0.5 in 1923 and 0.52 in 1922.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, tinsmithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $121,664.03 as against $116,714.72 in 1923. A sum of $4,427 was received and credited to Government for non-Government work as against $4,207 in 1923.

IX.—VITAL STATISTICS.

(*a.*)—POPULATION.

The civil population of the Colony, according to the census taken on April 24th, 1921, was 625,166, of whom 83,163 reside in the New Territories and in New Kowloon; at the census taken in 1911 it was 456,739 with 104,287 as the figure for the New Territories and New Kowloon. The estimated total population at the middle of the year under review was 799,550, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 714,550, of whom 16,000 were non-Chinese.

The distribution of population estimated to the middle of 1924 was as follows:—

Non-Chinese Civil Community,...			16,000
Chinese Population.	City of Victoria (including Peak),...	420,000	
	Villages of Hongkong,	29,800	
	Kowloon (including New Kowloon),	180,000	
	New Territories,	85,000	
	Population afloat,	68,750	
Total Chinese Population,...			783,550
Total Civil Population,			799,550

(*b.*)—PUBLIC HEALTH AND SANITATION.

The activity in building operations, which has been so noticeable a feature since 1912, has not abated, and the demand for housing accommodation by the Chinese continued to be greatly in excess of the supply, as many of those who fled with their families to Hongkong during 1911, 1912, and 1913 elected to remain in the Colony.

The birth-rate for the year was 5·47* per 1,000 among the Chinese community and 18·25 per 1,000 among the non-Chinese community, as compared with 6·97 and 25·03 for 1923.

The death-rate for the year was 21·9 per 1,000 among the Chinese community and 15·86 among the non-Chinese civil community, as compared with 23·27 and 14·83 for 1923.

The deaths from Malaria numbered 707 (674 in 1923). The deaths of Chinese from this cause in the City of Victoria numbered 187 out of a population of 420,000 or a rate of 0·44 per 1,000 per annum.

The deaths from Plague numbered nil as compared with 136 in 1923.

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* This figure is wholly misleading as it is impossible to register more than a portion of the births.

Small-pox deaths numbered 795, of which all but seven were Chinese.

There were 4,319 deaths from respiratory diseases other than Pulmonary Tuberculosis as compared with 4,317 in 1923, and 44 of these were among the Non-Chinese community. Pulmonary Tuberculosis claimed 1,718 Chinese and 31 non-Chinese victims whilst other forms of Tuberculosis represent an additional 609 deaths making a total of 2,358 or 15·16 per cent. of the total deaths among the community.

Beri-beri was responsible for 1,502 deaths, as compared with 1,270 during 1923 and 892 in 1922.

A tabular statement of the principal causes of death is appended.

(c.)—CLIMATE.

The climate of Victoria is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is on the average about 3° lower than at the Observatory, Kowloon, in the winter, and 8° lower in the summer. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the SW monsoon, being sheltered by steep hills from SE to SW. In winter it is exposed to the NE monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the south-west side of the Island is protected from the NE monsoon in winter and enjoys the benefit of the SW monsoon in summer.

For further particulars see Appendix F.

POSTAL AND TELEGRAPH SERVICES.

The total revenue from the postal service in 1924 amounted to $754,928.26 being $40,588.23 more than that collected in 1923. The net expenditure amounted to $269,568.06. The balance of revenue over expenditure amounted to $485,360.20.

The revenue collected in 1924 from radio-telegrams amounted to $69,496.41 being $23,383.17 more than that collected in 1923. Advices of vessels signalled at the lighthouses yielded $916.40 and semaphore messages $11.65 making a total of $70,424.46 for he telegraph service. The expenditure amounted to $51,561.93 The number of radio-telegrams forwarded during the year was 11,720 consisting of 107,771 words, and 12,628 received consisting of 142,325 words.

CLAUD SEVERN,
Colonial Secretary.

28th July, 1925

Table I.—DEATHS REGISTERED IN THE COLONY OF HONGKONG DURING 1924.

		Blackwater Fever.	Typhus Fever.	Rabies (Hydrophobia.)	Dengue Fever.	Paratyphoid Fever.	Influenza.	Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cerebro-spinal Meningitis.	Dysentery.	Plague.	Malarial Fever.	Cholera.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Community,	Civil,...............	...	1	...	...	1	6	7	4	14	1	1	2	...	6	...	1	5	3	2	14	4	5	4	2	7	5	12	38	27	5	6	2	11	56	...	252
Chinese Community,	Victoria and Peak, ...	1	...	1	...	1	28	319	8	82	23	51	227	...	187	...	3	43	236	68	154	385	131	270	686	76	92	98	2,037	1027	530	36	27	178	1924	79	9,008
	Harbour, ...	..	...	...	...	...	2	66	...	3	2	1	27	...	58	...	...	3	11	...	55	5	136	8	100	7	3	14	61	106	36	1	1	15	94	92	907
	Kowloon, ...	...	...	...	...	1	16	387	2	13	1	14	161	...	386	...	3	12	175	3	125	5	217	56	612	32	23	57	820	418	407	7	8	218	496	142	4,830
	Shaukiwan,......	...	...	...	...	..	...	10	...	1	...	2	11	...	15	...	1	1	3	1	1	10	61	1	76	1	...	2	22	34	32	2	...	6	69	13	375
	Aberdeen,........	...	...	...	...	...	...	6	...	...	...	..	4	...	39	...	...	1	1	...	5	...	9	1	25	1	...	...	5	29	1	...	...	4	20	2	153
	Stanley,..........	...	...	...	...	...	...	...	...	...	...	1	...	...	16	...	...	...	...	1	1	...	5	...	1	...	...	...	1	1	...	...	...	...	1	...	28
Total, 1924, ...		1	1	1	...	3	52	795	14	113	40	70	432	...	707	...	8	65	429	75	355	409	564	340	1502	124	123	183	2,984	1642	1011	52	38	432	2660	328	15,553
„ 1923, ...		...	...	1	1	4	83	1141	9	175	43	95	319	136	674	1	19	83	332	77	313	658	595	325	1270	87	99	190	2,790	1503	821	46	41	375	2799	431	15,536

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HONG KONG

REPORT FOR 1925.

(*For Report for 1923 see No. 1228* (*Price 1s. 6d.*) *and for Report for 1924 see No. 1288* (*Price 1s. 3d.*)).

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HONG KONG.

ANNUAL GENERAL REPORT FOR 1925.

PREFACE.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nankin in August, 1842; and the charter bears the date 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 sq. miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steam boat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration.

GENERAL OBSERVATIONS.

1925 was not a happy year for the Colony, though the manner in which it weathered the storm is a matter of self congratulation for all sections of the community.

A strike, political in its origin, and neither provoked by any fault of omission or commission on the part of the local authorities, nor designed to remedy any economic grievance, real or imaginary, commenced about the 20th of June, and in a few days the great majority of household servants, sailors, engineers and workers of all kinds had deserted their posts. The arrangements made by the Government for maintaining essential services, and for ensuring the food supply of the Colony were brought into operation without a hitch.

The Hong Kong Volunteer Defence Corps was mobilised on the 21st of June, and calls for volunteers as special constables, tramway drivers, crews for the Kowloon ferries etc. met with a ready response. The firm attitude taken up by the Government rapidly restored confidence, and towards the end of July the demobilisation of the Hong Kong Volunteer Defence Corps commenced. Places of strikers were filled, workers began to come back until outwardly the Colony was quite normal again. But though the strike had collapsed there followed a boycott of British trade and shipping in South China, instigated by and only maintained through the activities of the strike picket organisation with headquarters in Canton, to the detriment of merchants and business people both British and Chinese, in Hong Kong, Canton, Swatow and the Kwang-Tung province generally.

In order to assist the business community to tide over the difficulties caused by the boycott the Secretary of State for the Colonies in October arranged for a loan to the Hong Kong Government of £3,000,000 to be advanced to merchants. A local committee was specially appointed to advise on the allocation of these funds.

The Stock Exchanges were closed on the outbreak of the strike, and on the 7th July the Legislative Council legalised the postponement of the June Settlement. A Commission was appointed on the 18th August to enquire into the arrangements for dealing in shares locally. The report of the Commission was published on the 19th October.

In the midst of the strike another calamity befell the Colony when on the 18th of July as a result of the heavy rains a retaining wall at Po Hing Fong collapsed on to a block of houses. Seventy-five persons were killed, amongst them Mr. Chau Siu-ki, a former member of the Legislative Council.

At the 16th Congregation of the University of Hong Kong on the 5th January the degree of Doctor of Laws (Honoris Causa) was conferred on the Honourable Sir Henry Pollock, K.C., and on Mr. John Swire (in absentia).

At the meeting of the Legislative Council on the 5th March, His Excellency the Governor announced that Hong Kong had offered £250,000 to the Home Government as a contribution towards the Singapore Base.

Mr. M. J. D. Stephens, who had practiced as a solicitor in the Colony for over 50 years died on the 28th April.

Mr. C. Montague Ede, for many years General Manager of the Union Insurance Society of Canton, who had served on both the Legislative and Executive Councils and was well known on account of his many philanthropic activities, died on the 22nd May.

His Royal Highness Prince George arrived in Hong Kong on the 28th May to take up his appointment as sub-lieutenant on H.M.S. *Hawkins.*

His Excellency the Governor Sir R. E. Stubbs, K.C.M.G., who had postponed his departure from the Colony in June owing to the strike, sailed for England on the 31st October, prior to taking up his new appointment of Governor of Jamaica.

The new Governor, His Excellency Mr. Cecil Clementi, C.M.G., arrived on the 1st November.

The Colonial Secretary, the Honourable Sir Claud Severn, K.B.E., C.M.G., LL.D., left for home on the 14th November, on his retirement from the public service.

The Puisne Judge Mr. H. H. J. Gompertz left Hong Kong on the 18th November to take up his new appointment of Chief Justice, Federated Malay States.

I.—FINANCES.

The revenue for the year amounted to $23,244,365 being $1,431,665 more than the estimate and $965,275 less than the revenue for the previous year.

Compared with the returns for 1924 there were decreases under all the heads except Kowloon-Canton Railway, Licences and Internal Revenue and Miscellaneous Receipts.

The expenditure amounted to a total of $26,726,428 inclusive of a sum of $3,112,785 spent on Public Works Extraordinary.

The detailed figures for 1925 are set out in the following statements:—

HEADS OF REVENUE.	$ c.
Light Dues	127,113.64
Light Dues, Special Assessment	138,330.30
Licences and Internal Revenue not otherwise specified	17,029,003.58
Fees of Court or Office, Payments for specific purposes, and Reimbursements in Aid	1,571,609.93
Post Office	725,245.51
Kowloon-Canton Railway	432,846.80
Rent of Government Property, Land, and Houses	1,232,704.36
Interest	612,786.04
Miscellaneous Receipts	804,483.16
TOTAL, (Ordinary)	$22,674,123.32
Land Sales, (Premia on New Leases)	570,242.62
TOTAL	$23,244,365.94

The total expenditure brought to account amounted to $28,266,817 being $2,196,794 less than the estimate, and $1,540,389 more than the expenditure in 1924. Compared with the estimates there were increases under 9 heads as against 20 heads where there were decreases. The excess amounting to $465,771 under Miscellaneous Services was due to:—

	$ c.
British Empire Exhibition	205,197.00
Language Study Allowances	8,692.00
Motor Car Running Expenses	11,008.00
Other Miscellaneous Services	7,483.00
Rent Allowances, European Subordinate Officers	8,970.00
Rent Allowances, Asiatic Subordinate Officers	8,707.00
Stationery	23,873.00
Transport of Government servants	14,071.00
Gratuity to Mr. John Duncan	9,956.00
Strike Expenses	198,106.00

Military Expenditure exceeded the estimate by $92,436 due to increase in revenue. Education Department decreased $128,468 on account of fewer Building Grants and Lapsing Salaries.

EXPENDITURE.	$ c.
Governor	104,018.69
Cadet Service	307,301.43
Colonial Secretary's Department and Legislature	69,472.10
Secretariat for Chinese Affairs	29,225.63
Audit Department	50,706.40
Treasury	74,597.49
Harbour Master's Department	833,133.11
Imports & Exports Department	878,166.55
Royal Observatory	41,955.51
Miscellaneous Services	1,170,650.55
Judicial and Legal Departments	338,075.65
Police Force	1,898,822.77
Fire Brigade	333,846.85
Prison Department	462,827.04
Medical Department	623,241.10
Sanitary Department	645,249.62
Botanical and Forestry Department	96,371.78
Education Department	1,019,905.23
Military Expenditure	4,352,856.45
Public Works Department	1,425,010.21
Do. Recurrent	1,574,431.75
Do. Extraordinary	8,638,930.87
Port Development Department	77,500.16
Port Works Extraordinary	638,265.89
Post Office	271,819.66
Kowloon-Canton Railway	762,271.89
Charge on Account of Public Debt	952,346.91
Pensions	516,330.51
Charitable Services	79,486.14
TOTAL	$28,266,817.94

The balance to the debit on the year's working was $5,022,452 and the assets and liabilities account showed on the 31st December a credit balance of $8,113,482.68.

The following is a statement of the revenue and expenditure of the Colony for the five years 1921-1925:—

	Revenue.	*Expenditure.*
	$	$
1921	17,728,132	15,739,652
1922	22,291,065	18,563,003
1923	24,783,763	21,571,905
1924	24,209,640	26,726,428
1925	23,244,365	28,266,817

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £494,783. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000 and there are the sums of $1,726,670 and £114,722 at credit of the Sinking Fund.

A new valuation for Assessment was made for the year commencing 1st July, 1925, resulting as follows:—

Increases:—

The City of Victoria	$2,884,639
The Hill District	43,430
Shaukiwan, Saiwanho and Quarry Bay ...	107,825
Hong Kong Villages	314,000
Kowloon Point	346,276
Yaumati	591,140
Mongkoktsui	472,020
Hunghom and Hok Un	94,650
Kowloon Villages	32,401
New Territories	253,530

The rateable value of the whole Colony amounted to $27,287,862 having increased by $5,139,911.

During the period 1916-1925 the assessment of the whole Colony has risen from $14,282,186 to $27,287,862, an increase in rateable value of $13,005,676.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows:—

Hong Kong & Shanghai Banking Corporation	$ 45,332,993
Chartered Bank of India, Australia, & China	14,587,808
Mercantile Bank of India, Limited ...	1,459,875
	$ 61,380,676

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hong Kong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins, less those demonetized, now amounts to $17,889,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hongkong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hongkong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $26,235,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of $44,099,830.

Statement of Subsidiary Coins.

Received and redeemed (from 1911)

Blue Book 1911. Amount in circulation.		$43,999,830
Since received :—Copper coin.		
1919...	25,000.00	
1923...	25,000.00	
1924...	50,000.00	
1925...	25,000.00	125,000
Total Amount put into circulation ...		...$44,124,830
Less since redeemed :—		
1911... ...	...5,527,459.04	
1912... ...	...1,040,000.00	
1913... ...	...1,040,000.00	
1914... ...	...5,000,000.00	
1915... ...	...5,100,000.00	
1916... ...	...5,028,000.00	
1918... ...	... 500,000.00	
1922... ...	...3,000,000.00	26,235,459.04
Total Amount of coin in circulation in 1925...		$17,889,370.96

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(a.)—Shipping.

The total Shipping entering and clearing at Ports in the Colony during the year 1925 amounted to 379,177 vessels of 41,469,584 tons, which compared with the figures of 1924 show a decrease of 384,315 vessels and a decrease of 15,261,493 tons.

Of the above 41,336 vessels of 32,179,053 tons were engaged in Foreign Trade as compared with 57,765 vessels of 38,770,499 tons, in 1924.

Table 1 shows a decrease in British Ocean-going Shipping of 1,381 ships or 26·1 per cent and a decrease of 1,977,932 tons or 16·1 per cent. This decrease in ships and tonnage is due to the recent strike and present boycott in South China.

Foreign Ocean-going vessels have decreased by 1,911 ships and by 2,243,124 tons or 22·3 per cent in numbers and 13·1 per cent in tonnage. This decrease in ships and tonnage is due to the recent strike and present boycott in South China.

British River Steamers have decreased by 3,062 ships with a decrease in tonnage of 1,069,546 tons or 43·0 per cent in numbers and 16·3 per cent in tonnage. This decrease in ships and tonnage is due to the recent strike and present boycott in South China.

Foreign River Steamers show a decrease of 1,052 ships with a decrease in tonnage of 387,469 tons or 45·4 per cent in numbers and 46·1 per cent in tonnage. This decrease in ships and tonnage is due to the recent strike and present boycott in South China.

In Steamships not exceeding 60 tons employed in Foreign trade there is a decrease of 2,445 ships with a decrease in tonnage of 66,336 tons or 31·2 per cent in numbers and 28·7 per cent in tonnage. This decrease in launches and tonnage is due to the recent strike and the present boycott in South China.

A comparison between the years 1924 and 1925 is given in the following table:—

Class of Vessels.	1924.		1925.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going, ...	5,297	11,844,752	3,916	9.866,820	1,381	1,977,932
Foreign Ocean-going.	7,674	16,030,078	5,763	13,786,954	1,911	2,243,124
British River Steamers, ...	7,120	6,524,661	4,058	5,455,115	3,062	1,069,546
Foreign River Steamers, ...	2,318	840,347	1,266	452,878	1,052	387,469
Steamships under 60 tons (Foreign Trade), ...	7,831	231,833	5,386	165,497	2,445	66,336
Junks, Foreign Trade, ...	27,525	3,298,828	20,947	2,451,789	6,578	847,039
Total, Foreign Trade, ...	57,765	38,770,499	41,336	32,179,053	15,429	6,591,446
Steam Launches plying in Water of the Colony ...	678,750	16,622,806	310,924	8,050,939	367,826	8,571,867
Junks, Local Trade, ...	*27,977	*1,337,772	†26,917	†1,239,592	1,060	98,180
Grand Total,......	764,492	56,731,077	379,177	41,469,584	384,315	15,261,493
				Net Decrease, ...	384,315	15,261,493

* Including 15,212 Conservancy and Dust Boats of 654,199 tons.

† „ 15,890 „ „ „ „ of 693,660 „

Junks in foreign trade show a decrease of 6,578 vessels, and a decrease of 847,039 tons or 23·9 per cent in numbers and 25·6 per cent in tonnage. This decrease is due to the recent strike and the present Boycott in South China.

In local trade (*i.e.* between places within the waters of the Colony) there is a decrease in Steam-Launches of 367,826 and a decrease in tonnage of 8,571,867 tons or 54·2 per cent in numbers and 51·5 per cent in tonnage. This decrease in numbers and tonnage is due to the recent strike and the present Boycott in South China.

Junks in local trade show a decrease of 1,060 vessels and a decrease of 98,180 tons or 3·8 per cent in numbers and 7·4 per cent in tonnage. This decrease in vessels is due principally to the recent strike and the present Boycott in South China.

Of vessels of European construction 4,776 ocean steamers, 3,085 river steamers and 2,695 steamships not exceeding 60 tons entered during the year, giving a daily average of 28·9 ships as compared with 41·2 ships in 1924 and 34·7 ships in 1923.

The average tonnage of individual ocean vessels entering the Port has increased from 2,129·8 to 2,472·9 tons, British Ships from 2,234·3 to 2,529·4 tons, foreign ships from 2,057·6 to 2,434·2 tons.

The average tonnage of individual river steamers entering during the year has remained the same at 659·8 tons, British river steamers have increased from 819·5 to 848·4 tons and foreign river steamers have decreased from 340·3 to 332·9 tons.

The actual number of individual ocean-going vessels of European construction during the year 1925 was 1,015 of which 371 were British and 644 Foreign. In 1924 the corresponding figures were 1,123, 416 British and 707 Foreign.

These 1,015 ships measured 3,171,253 tons. They entered 4,776 times and gave a collective tonnage of 11,810,938 tons.

Thus 108 less ships entered 1,708 less times and gave a collective tonnage less by 1,999,036 tons, an average of 1,170·4 tons per entry.

Thus :—

Flag.	Steamers.		No. of times entered.		Total Tonnage.	
	1924.	1925.	1924.	1925.	1924.	1925.
British, ...	416	371	2,650	1,946	5,921,002	4,922,197
Japanese, ...	269	269	1,324	1,153	3,154,550	2,826,465
U.S.A., ...	100	69	275	224	1,423,490	1,370,638
Chinese, ...	59	65	548	323	453,092	365,450
German, ...	33	33	79	78	317,416	332,495
Danish, ...	20	12	73	42	180,513	117,249
Dutch, ...	53	45	262	244	807,254	754,440
French, ...	39	26	278	177	535,528	453,272
Italian, ...	17	13	41	35	154,371	130,895
Panaman, ...	4	2	33	2	34,843	3,239
Chilean, ...	8	7	257	126	130,606	71,549
Norwegian, ...	71	55	387	286	443,067	319,006
Portuguese,.......	17	9	200	109	91,017	46,166
Russian, ...	—	1	—	1	—	915
Siamese, ...	—	1	—	1	—	377
Swedish, ...	13	7	60	15	120,830	58,915
Spanish, ...	4	3	17	14	42,395	37,670
Total, ...	1,123	1,015	6,484	4,776	13,809,974	11,810,938

The Nationalities of the Crews in British and in Foreign Ships were as follows :—

	VESSELS.		BRITISH CREW.		OTHER EUROPEANS AND AMERICANS.		ASIATICS.	
	1924.	1925.	1924.	1925.	1924.	1925.	1924.	1925.
British, ..	416	371	36,666	32,498	479	1,320	209,151	165,776
Foreign,	707	644	1,708	741	44,841	39,395	226,048	175,884
Total, ...	1,123	1,015	38,374	33,239	45,320	40,715	435,199	341,660

Hence in British ships :—

1924.	*1925.*	
14·89 %	16·28 %	of the crews were British.
00·20 %	00·66 %	of the crews were other Europeans & Americans.
84·91 %	83·06 %	of the crews were Asiatics.
100·00 %	100·00 %	

and in Foreign ships:—

1924.	*1925.*	
00·63 %	00·34 %	of the crews were British.
16·45 %	18·24 %	of the crews were other Europeans & Americans.
82·92 %	81·42 %	of the crews were Asiatics.
100·00 %	100·00 %	

TRADE.

The number and tonnage of ships of European type of construction carrying cargo for import and transit compared with 1924 were as follows :—

	1924.		1925.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers, ...	6,484	13,809,974	4,776	11,810,938	1,708	1,999,036
River Steamers, ...	4,715	3,632,438	3,085	2,947,848	1,630	684,590
Sailing Vessels, ...	—	—	—	—	—	—
Total, ...	11,199	17,442,412	7,861	14,758,786	3,338	2,683,626
				Decrease, ...	3,338	2,683,626

The corresponding figures relating to ships of European type of construction, shipping bunker coal, are as follows :—

EXPORTS.

	1924.		1925.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers,	6,487	14,064,856	4,903	11,842,836	...	...	1,584	2,222,020
River Steamers,	4,723	3,732,570	2,239	2,960,145	...	...	2,484	772,425
Sailing Vessels,	...	...	...	...	...	...	...	...
Total,	11,210	17,797,426	7,142	14,802,981	...	...	4,068	2,994,445
				Nett Decrease, ...	...	...	4,068	2,994,445

	1924.		1925.		Increase.		Decrease.	
	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.	No.	Bunker Coal.
Steamers,	6,487	506,520	4,903	355,707	...	...	1,584	150,813
River Steamers,	4,723	90,974	2,239	94,061	...	3,087	2,484	...
Total,	11,210	597,494	7,142	449,768	...	3,087	4,068	150,813
				Nett Decrease, ...	...	...	4,068	147,726

The River Trade compared with 1924 is shown in the following Table :—

Year.	Imports. Tons.	Exports. Tons.	Passengers.
1924	493,711	663,802	2,536,768
1925	201,128	318,502	1,800,474

The following Tables show the Junk Trade of the Colony for the year 1924 and 1925 :—

IMPORTS.

	1924.		1925.	
	Junks.	*Tonnage.*	*Junks.*	*Tonnage.*
Foreign Trade,	13,661	1,644,206	10,196	1,209,742
Local Trade,	6,206	368,494	5,327	262,051
Total,	19,867	2,012,700	15,523	1,471,793

Cargo.	*Tons.*
Cattle, 1,502 heads,	174
Swine, 31,467 heads,	1,850
Earth and Stones,	4,032
General,	354,016
Total,	360,072

EXPORTS.

	1924.		1925.	
	Junks.	*Tonnage.*	*Junks.*	*Tonnage.*
Foreign Trade,	13,864	1,654,622	10,751	1,242,047
Local Trade,	6,559	315,079	5,700	283,881
Total,	20,423	1,969,701	16,451	1,525,928

Cargo.	*Tons.*
Kerosine, 1,081,449 Cases,	38,529
Rice and Paddy,	284,796
Coal,	131,781
General,	360,896
Total,	816,002

Emigration and Immigration.

One hundred and forty thousand, five hundred and thirty-four (140,534) emigrants left Hong Kong for various places during the year 1925, (129,859 in 1924). Of these, 85,586 were carried in British ships, and 54,948 in foreign ships.

Ninety-one thousand, six hundred and twenty-two (91,622) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this colony or from coast ports, as against 130,194 in 1924. Of these, 51,760 arrived in British ships, and 39,862 in foreign ships.

Statement of number of emigrants to Straits Settlements, 1914 to 1925, compared with total Chinese emigration.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1914	44,974	76,296
1915	41,278	68,275
1916	82,797	117,653
1917	63,292	96,298
1918	8,019	43,830
1919	11,638	59,969
1920	43,935	105,258
1921	87,324	156,011
1922	50,356	98,393
1923	65,584	120,224
1924	75,682	129,859
1925	97,552	140,534

(b.)—INDUSTRIES.

Sugar.—The course of prices during the early part of the year was based on the expectation that the 1924-25 Cuban crop would outturn a figure somewhere between 4,300,000 tons and 4,725,000 tons, with a large part of the Trade being of the opinion that the latter figure would prove to be the maximum. Even when the production in Cuba indicated that 4,725,000 tons would be a minimum, for quite a long period many members of the Sugar industry throughout the world could not get themselves to believe that a record breaking crop as to size was being manufactured in Cuba and thought that a crop of 5 million tons would be an impossibility.

The final outturn of the 1924-25 Cuban crop was 5,125,970 tons, a burden that was quite too heavy for sugar prices to bear, as a result of which the trend in prices of raw sugar was in a downward direction from April to the end of October.

In addition to the raw sugar markets being under the influence of over production practically throughout the year resulting in a steadily declining market, the Hong Kong refineries have again been seriously handicapped by the disturbed political conditions throughout China, the serious strike which started last June and the boycott of British manufactures which necessitated shutting down both refineries entirely for a time.

Competition from Japanese refined sugar also been very keen, but it is reported that the refineries in that Country have agreed amongst themselves to restrict their output, which would indicate that their losses must have been considerable.

Rope Making.—The demand for Manila cordage was fairly good during the first six months of 1925 but it fell off in the second half of the year owing to political troubles in Canton.

(c.)—FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(d.)—FORESTRY, AGRICULTURE, AND BOTANY.

Formation of Pine tree plantations.

Seeds of *Pinus Massoniana* were sown *in situ* on the following places:—Taipo Forestry Reserve 146,500; Red Hill, Tytam, 20,000; and on hills above Shek O Road, 50,000; the total weight of seeds used was 155 lbs.

For the formation of new plantations on grassy slopes and to support earth banks below and above the more recently made roads, seeds of *Pinus Massoniana* were sown broadcast at the following places:—Below and above road from Cheung Sha Wan to Castle Peak, above and below Taipo Road, below Matilda Hospital, between Victoria Gap and Pokfulam, Wanchai Gap, Conduit Road, and Cheung Chau.

Broad-leaved trees planted.

One year old Camphor trees to the number of 4,708 were planted on vacant flat spaces at Tai Wo Po, New Territories.

In the Peak District flowering trees and shrubs to the number of 302 were planted.

The following flowering and shade trees were planted alongside the principal roads in Hong Kong and the New Territories:—*Bauhinia variegata, variety alba, Aleurites montana, and Cinnamomum Camphora;* the total number used was 2,594.

At Cheung Chau a further plantation of one year old camphors was formed among the young Pines

Care of trees in plantations.

Plantations of young trees were cleared of the worst of the undergrowth and creepers. Large number of clumps of *Loranthus* were removed from trees in all parts of the Colony.

Pine tree caterpillars very fortunately made their appearance in small numbers only, the worst attack being made on the young Pines adjoining Kowloon Catchwater; the total weight collected and destroyed was 42 pounds.

Protection from fire.

One new fire-barrier 20 feet in breadth and 1,450 feet in length was made at Taipo Forestry Reserve and another in the vicinity of the wireless station buildings at Cape D'Aguilar, 3,852 feet in length.

Old fire-barriers were cleared of undergrowth and grass; the total length dealt with amounted to 17 miles in the New Territories, 15 miles in Hong Kong and 5¾ miles at Fanling.

All forestry paths were cleared of grass and undergrowth and the necessary repairs carried out where landslips had occurred.

Nurseries, Agriculture, &c.

At *Little Hong Kong Nursery* over 7,000 young Camphor trees were raised in readiness for planting out in the adjoining valley where the old natural forest formerly stood.

Fanling Experimental Garden.

Large numbers of young trees of *Aleurites montana, Poinciana regia* and *Cinnamomum Camphora* were raised on spare ground in the garden; these trees were used on the roadsides between Fanling and Shataukok and Fanling and Castle Peak and from Sheung Shui to Taipo.

Young plants of the Smooth Cayenne Pineapple were distributed in small lots in order to encourage the growing of this fruit.

At *Taipo Forestry Reserve* a tree nursery was established and numbers of young trees of economic value were raised, they will be planted in the reserve in due course. A service path has been made on the hills over the whole length of the reserve, this will enable the staff to reach and deal with forest fires.

Kowloon Tsai Nurseries.

Stocks of trees were raised for use in plantations and roadside planting throughout the Colony. 5,000 young camphor trees were lifted and basketed at the end of the year for planting in 1926.

The first and second rice crops were good. Pineapples were fair and the crop of the very poor variety of ground nuts was good. Ginger was of good quality but stocks were small; owing to the supply of ginger from Canton being temporarily entirely stopped, all available local stocks were in great demand and fetched good prices. Also, on account of the importation of vegetables from Canton and the coast ports being temporarily stopped, locally grown vegetables were sold for very high prices during the summer months.

Inspection of Nursery Stocks.

Eleven thousand nine hundred and seventy-six cases of bulbs of Narcissus Tazetta were examined for fungoid diseases and insect pests before being exported to the United States of America. All the bulbs were grown in the vicinity of Amoy and arrived in Hong Kong between July and October. The actual number of bulbs dealt with was 1,450,660. No consignments were detained for reconditioning.

(*e*.)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from sales of Crown Land exclusive of the New Territories during the year 1925 was $367,526.77 a decrease of $1,290,159.83 on preceding year and $1,434,399.46 less than the average of the previous five years, this average was however abnormal owing to the unusual demand for land during the land boom.

The principal items were $115,850 for Inland Lot No. 1922. $34,435 for Rural Building Lot No. 254, and $45,000 for Kowloon Inland Lot No. 1992.

In the New Territories the net amount received for premium was $196,284.14, the principal item being $18,560 for New Kowloon Inland Lot No. 971 and $14,049 for New Kowloon Inland Lot No. 1006.

The total area of land sold or granted during the year was 809 acres and $18\frac{11}{12}$ poles of which 618 acres and $32\frac{11}{12}$ poles were dealt with by the District Officers.

The total area resumed was 478 acres 1 rood $22\frac{3}{8}$ poles including several large areas in Junk Bay.

The number of deeds registered in the Land Office was 4,226 which is less than the figures of the two preceding years; this is due to the abnormal conditions which prevailed in the Colony during the second half of the year.

In the Northern District of the New Territories the demand for land was less than in 1924 following a general slackening of business enterprise, but the effect of the unrest in the neighbouring provinces has been to put nearly every available acre of suitable land under cultivation and private sales of this type of land now realize good prices. In the Southern District the demand for land everywhere both for building and for agriculture was weak.

III.—LEGISLATION.

Sixteen (16) ordinances were passed during 1925, of which eight were amendments of previous ordinances.

The most important matters with which these ordinances dealt were:—

The Bishop of Victoria Incorporation (No. 4)—The object of this ordinance was to incorporate the Bishop of Victoria in order to enable him to hold immovable property in perpetual success, and in particular to enable him to hold the site of St. Paul's College, which was being vested in him with the consent of His Grace the Archbishop of Canterbury, the present legal owner.

The Sailors Home (No. 5)—The object of this ordinance was to create a corporation to be known as "The Trustees of the Sailors Home in Hong Kong," to appoint the first trustees, and to vest in the new incorporation the Crown lease of the land on which the present Sailors Home stands.

The "Petites Soeurs des Pauvres, St. Pern, Bretagne" (No. 6)—The object of this ordinance was to incorporate the Petites Soeurs des Pauvres, St. Pern, Bretagne, in order to enable them to hold immovable property in perpetual succession.

The Telephone (No. 9)—The object of this ordinance was to provide for the establishment of an improved telephone service in the Colony by means of a concession to a new local Telephone Company to supply telephonic communication within the Colony for a period of fifty years commencing from 1st July, 1925.

The June Settlement (No. 11)—The object of this ordinance was to postpone the June settlement day.

The Registration of United Kingdom Patents (No. 13)—The object of this ordinance was to provide for the registration in Hong Kong of letters patents granted in the United Kingdom.

IV.—EDUCATION.

The European staff was decreased by twelve during the year.

The total number of pupils at schools in the Colony excluding the Police School are:—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools -	3,805	44	3,849
Military Schools - - -	148	—	148
Excluded Private Schools	210	—	210
Grant Schools - - -	4,242	1,176	5,418
Controlled Private Schools - - - -	3,283	22,531	25,814
Controlled Private Schools, New Territories - - - - -	25	5,215	5,240
Technical Institute - -	580	—	580
Total - - -	12,293	28,966	41,259

The most important schools are *Queen's College* for Chinese, four *District Schools* its feeders, and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance housed in a building presented to the Colony by the late Sir Ellis Kadoorie. *Central School* and *Quarry Bay, Kowloon Junior* and *Victoria Schools* for children of British parentage have an average attendance of 257. There is also a school for the children of the Peak District with an average attendance of 34. The *Diocesan School and Orphanage* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French,* and *St. Mary's Convents*, the *Diocesan Girls' School*, and *the St. Stephen's Girls School* are the most important of the English Grant Schools for girls. There are two Vernacular Normal Schools for Men and Women respectively.

The Hong Kong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1925 in Building Construction, Mechanics, Chemistry (Practical and Theoretical), Physics, Electricity, Commercial English, French, Shorthand, Book-keeping. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

The late Sir Hormusjee Mody bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile. The latest addition to the buildings is a workshop built out of a contribution from Sir Robert Ho Tung.

The annual income of the University now amounts to about $420,000 of which about $145,000 comes from endowment and $50,000 from Government. Messrs. Butterfield and Swire gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockefeller Institution has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B., and B.S. The degrees of M.D., and M.S., may be obtained for post-graduate work. The degrees above mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure arts and science, social science, commerce and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is granted, *honoris causa.*

The site of the University was given by the Government of Hong Kong. As subsequently enlarged by minor grants and by purchase. the University estate covers an area of 709,789 sq. ft. The view from the grounds over the harbour is magnificent and the grounds are naturally beautiful.

In the main buildings are housed the chemical and physical laboratories, the University library and portions of the engineering laboratories. They further include the Great Hall, a Senate room and the lecture and class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of anatomy, physiology, pathology and tropical medicine, erected at the cost of Chinese gentlemen risident in the Colony. Clinical instruction is given at the Government Civil Hospital.

Special engineering buildings include :—

(*a*) a power station, generating light and power for the estate, energy being supplied by internal combustion engines of varied types which are available for instructional purposes;

(*b*) a prime movers (steam) and hydraulics laboratory, at present housed in a converted pumping station, formerly the property of the Government; and

(*c*) A workshop, for practical instruction of students.

Electrical machinery (other than the main generating plant), electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include :—

(*a*) the Vice-Chancellor's Lodge
(*b*) Staff-quarters
(*c*) the resident hostels, and
(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University or recognised hostel.

The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall.

Recognised hostels are at present two in number—Morrison Hall, situated immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual common rooms. Each University hostel is in charge of a member of the staff, as resident warden.

No University hostel at present exists for women students—whose right to admission to the University was first recognised in 1921; but some arrangements for the accommodation of a few women students in a rented building have been made by the authorities of St. Stephen's Girls' College, a Church of England girls' school which is near the University. The nuns of a neighbouring Italian convent are also prepared to house a few women students.

The tuition fee is $300—the hostel fee which includes board and lodging is $300. A student who is allowed to live in a hostel during a vacation—some have to because of their work, *e.g.* medical students, and others because their homes are too far away—pay at the rate of $8 a week. When a student joins he is required to deposit caution money to the extent of $25. and to pay a registration fee of $5. The annual subscription to the University Union is $15 and this covers the annual subscription to practically all the athletic clubs. The graduation fee is $25. Probably about $1,200 represents the minimum amount which at present prices would cover a student's annual expenses including vacations. It would cost a Chinese student who goes abroad $2,500 a year at the very least, and this would not cover travelling expenses.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government. There are also scholarships provided by the Government of Hong Kong, of the Straits Settlements and Federated Malay States, of Kedah and Siam.

The Union is the centre of the social life of the students. It is at once a Club and a centre of athletics. The Union Committee contains certain members of the University teaching staff, but its President and Secretary are undergraduates elected by the undergraduates. The undergraduate members of the Committee are also elected by their fellow students. There is a Union magazine with English and Chinese sections. The editors are students, a member of the teaching staff acting as assistant editor. There are some twenty women students; these women students are all members of the Union.

The students of the University come from Kwangtung, Chilhi, Hankow, Hupeh, Yunnan, Hunan, Shanghai, Pekin, Fukien, Singapore, Penang, Kuala Lumpur, Kedah, Jahore, Java, Manila, Burma, Siam, Japan, India and Macao. The present enrolment is 300 of whom about 250 are Chinese and 50 non-Chinese. Of the Chinese students some 134 come from Kwangtung and Hong Kong, 50 from the Federated Malay States and 18 from Java. Students from other places outside China number about ten.

The behaviour of the students of the University throughout the troubles connected with the strike and boycott was admirable. It is true that when the strike and boycott began in June, the University was in vacation; but at the time there were more than one hundred students in residence. The University re-opened on its normal date in September. Nearly all the students came back, some at considerable personal risk, and throughout the term which then opened their whole attitude was one of quiet loyalty to the University.

PUBLIC WORKS.

BUILDINGS.

During the year progress as stated was made on the following works :—

Hong Kong.—The New Fire Brigade Station proceeded satisfactorily and was nearing completion by the end of the year. The following works were completed, Senior Officers Quarters, Gough Hill, New Architectural Office and Entrance to New Queen's Pier, the New Sisters Quarters to the Government Civil Hospital were nearly completed and good progress was made on the New King's College and alterations to the Victoria Hospital. New Queen's College site approached completion. Open markets at Whitfield and Quarry Bay were finished.

Kowloon.—The New Hospital was practically finished and partly occupied by the end of the year and married quarters for Police were erected at Mong Kok and Tsim Sha Tsui Police Stations.

New Territories.—The work of piling for the foundations of the new Gaol was completed and married quarters for Police were erected at a number of the police stations. Kowloon City and Shamshuipo Police Stations were finished.

COMMUNICATIONS.

Hong Kong.—Road contouring Wongneichung and Tai Hang Valley, and access road from Stubbs Road to War Memorial Hospital site, made good progress. Main road from Causeway Bay to Quarry Bay made fair progress in places. Road connecting Robinson Road with Conduit Road was begun and good progress made. Improvements were continued on Kennedy, Conduit, Victoria and Shaukiwan Roads.

Kowloon.— Work on the removal of the hill obstruction at the junction of Nathan and Coronation Roads made good progress. Waterloo Road Extension North and East, Tokawan Road and Chatham Road Extension, Mongkok-Kowloon City Road made good progress. Several streets in Yaumati were raised to new levels.

New Territories.—Widening of Fan Ling-Au Ha Gap Road to 20 ft. and extension to Shataukok made good progress. Widening of bridges on Castle Peak-Fan Ling Road to 20 ft. put in hand. Improvements to the Coastal Road and the metalling and tar painting of New Territories roads were continued, and several bridges were widened.

DRAINAGE.

Hong Kong.—A 7·6 concrete culvert from Leighton Hill Road to Praya was finished.

Kowloon.—The Extension of the Mongkoktsui nullah to the Old Kowloon Boundary was completed. Ma Tau Chung nullah made slow progress.

New Territories.—The Nan Chang Street nullah from the water front to the Tai Po Road was completed and the Extension of the Mongkoktsui Nullah from the old Kowloon Boundary to the Kowloon Range of hills progressed satisfactorily.

WATER WORKS.

Hong Kong.—Both tiers of beds at the Eastern Filter Beds were completed. The walls and invert of the east half of the Service Reservoir were approaching completion.

The Engine & Boiler House Extension at Tytam Tuk was completed, whilst the erection of the new engine and boiler was well advanced.

Stanley Mound East Catchwater was practically completed, whilst Stanley Mound West and Jardine's Lookout Catchwaters were completed.

5,500 ft. of 15″ C. I. main and 2,350 ft. of 12″ main were laid during the year in Queen's Road and Praya East.

A Contract was let to the Patterson Engineering Co. for the supply and erection of Fast Gravity Filtration Plant at Bowen Road.

The Eastern Pumping Scheme has been abandoned for the time being.

Kowloon.—Improvements and renewals to the distributing system were continued.

The construction of 4 additional filter beds at Lai Chi Kok Pass was almost completed.

The extension of the Beacon Hill Catchwater was practically completed.

Shek Li Pui Reservoir was completed and in use during the latter part of the year. Only a few minor works remain to be done.

Shing Mun Valley Scheme.—The Access Road from Tsun Wan to Pineapple Pass was nearly completed.

The temporary intake and conduit together with the north conduit were completed.

1,043 ft. of tunnel was driven under Smugglers' Ridge and 2,470 ft. under Golden Hill. The south conduit was completed.

The Reception Reservoir contract was approximately half completed by the end of the year.

A contract was let to the Petterson Engineering Co. for the supply and erection of fast gravity filtration plant of 5 million gallons per day capacity.

By the end of the year the first consignments of 24″ diameter steel pipes had arrived from England.

Pipers Hill Service Reservoir was satisfactorily completed and tested.

A contract for the cross harbour pipe was prepared, but commencement of the work has been postponed.

RECLAMATIONS.

Hong Kong.—Praya East, about 90 acres, of which about 44 acres were reclaimed by the end of the year.

Quarry Bay, 3½ acres, about half of the reclamation completed.

North Point, private scheme, about 20 acres, approximately 2/3rd of the scheme completed.

Kowloon.—Shamshuipo Reclamation comprising an area of 66 acres, almost completed.

Taikoktsui Reclamation, total area 54 acres approximately, of which 40 acres were reclaimed at end of year.

Poor progress was made with the Kai Tack reclamation which is a private undertaking near Kowloon City.

Satisfactory progress was made with the reclamation at Kowloon Bay West.

New Territories.—Reclamations undertaken at Laichikok by the Standard Oil Co. and the Kailan Mining Administration had been completed at the end of year.

PIERS.

Hong Kong.—Queen's Pier was completed and opened to the public.

MISCELLANEOUS.

Good progress was made with the levelling of the Kowloon Tong Development Scheme areas approximately 27 acres being handed over to the Company during the year.

The total amount expended on Public Works Extraordinary was $8,638,930.87 and on annually recurrent works $1,574,431.75.

RAILWAY.

The extension to workshops started in June, 1924, was completed in April and handed over to the Locomotive Department. The blacksmiths moved into the new portion of the building, and the old smithshop was overhauled and converted into a Store for tools.

The 5-cwt. pneumatic hammer, punching and shearing machine, power hack saw, electric motors and shafting were removed from the old Shop and re-erected.

The 360-ton wheel press was moved to a more convenient position in the new extension, and four other machines, 18″ shaper, power screwing machine, axle-box boring machine and air compressor were re-arranged in more convenient places.

Four tracks on the site of the proposed extension of the carriage shed were extended for the full length of 500 feet to accommodate stock.

Two three-storied tenement houses adjoining the Locomotive Yard, known as 70 and 72 Chatham Road, were taken over and reconditioned as quarters for workshops staff.

A small area of Railway land measuring 80 feet by 60 feet, situated in the Locomotive Yard at Hunghom, was transferred to the Public Works Department for the purpose of building a permanent workshop and quarters for electricians.

The materials for the new water tank and tower at Kowloon arrived in May and a contract was entered into for erection. This work was nearly completed by the close of the year.

The materials for the extension to the awnings over the main platform at Kowloon arrived from England and Canada in August and September, and erection was commenced in December.

The bridge at the second mile, known as No. 4 Bridge and referred to in last year's report, was completed in May and traffic diverted back over the eastern spans.

The laying of underground cables in substitution for aerial telephone wires was continued back from Taipo at Mile 13 to Mile 9. This work is being carried out by the Public Works Department.

At Lowu the sidings were extended for about 300 feet to facilitate shunting operations.

Considerable damage to the Railway was caused by rainstorms in July which culminated in a heavy downpour on the 16th when 13.48 inches of rain were registered. A 3-foot culvert at Yaumati Station was choked up by debris from private works on the hillside above, and the line flooded with slurry. Later on a heavy slip took place and buried both tracks to a height of four or five feet, thus interrupting traffic. At Mile 3½, private works caused a diversion of the flood waters which cut away the railway bank for some hundred yards, and all traffic had to change trains at either side of the breach for two days.

The following new machines were installed in the Carpenters Shop:—

(i) Planing and moulding machine.

(ii) Band saw and chain mortising machine.

During the year most of the machines in the Workshops were given a general overhaul.

The motor repair shop has been kept extremely busy throughout the year, overhauling motor vehicles belonging to other Government Departments.

The Workshops were very greatly handicapped during the middle of the year by the strike. All the No. 1's however remained and with their assistance the train service was maintained. During the greater part of a month, running repairs of all kinds were done by these few men.

The year 1925 has again proved an unfortunate one for the Railway, directly attributable to the conditions obtaining in the Kwangtung Province, the Through and Joint Sectional Traffic being suspended throughout the year with the exception of 166 Slow Through trains. The Through Slow Service suspended in 1924 was resumed on March 17th. The Chinese Section passenger stock however was found to be in such a bad state of repair, that it was considered inadvisable to allow it to run over the British Section as had been done in the past, and passengers were therefore conveyed to and from the border in stock provided by the British Section.

The through service was again suspended from June 1st to the 17th.

On Sunday, June 21st, a general strike of Chinese in the Colony commenced and through traffic was again interrupted and was not resumed during the year. Between June 23rd and July 11th there was a general exodus of strikers from the Colony, 24,851 passengers being carried to the border.

A ballast train for the use of the Public Works Department was provided on the Branch Line for 100 nights commencing on June 22nd and terminating on the 27th October, in connection with the construction of the new road to Sha Tau Kok

The Railway Division of St. John's Ambulance Brigade, under the direction of Traffic Inspector Winyard, has proved itself most efficient. There are now thirty-three members, all recruited from the Traffic Department. A First Aid Box is kept at each Station and also on each train, and expert attendance and suitable dressings are available in cases of accident.

The Division again won the "Holyoak" Attendance Cup.

As mentioned in my last Report, it was decided that this Railway should adopt the system of accounts employed on all Chinese Government Railways. The recasting from 1906 to date has now been completed, and for the first time the accounts are presented in accordance with the Classification of Revenue and Expenditure as prescribed by the Ministry of Communications.

I should like to place on record my appreciation of the excellent manner in which the work has been carried out and at the same time to express my indebtedness to Mr. Harris, Chief Accountant of the Chinese Section for his assistance and advice.

At the end of 1916 the Construction Account was closed, and thereafter estimates of expenditure were framed under two main heads, viz., Working Expenses and Special Expenditure. Special Expenditure for the years 1917 to 1924 has now been allocated as between Capital and Revenue, and the portion properly chargeable to Capital is for the first time included in the Capital Account, and the balance, viz., $213,115.84 chargeable to Revenue is carried to Profit and Loss Account. The Special Expenditure for the year 1925 has been allocated between Capital and Revenue, and the portion chargeable to Capital included in the Capital Account while the Revenue items are debited to Operating Expenses.

The Local passenger receipts amounted to $332,268.31, as against $332,942.68 for the previous year, and the goods receipts were $21,762.64, or $2,286.92 less than the previous year.

The Gross Receipts for the year were $430,578.31, as against $420,186.15 for 1924, an increase of $10,392.16.

The operating expenses amounted to $529,901.49. The disbursements against the estimate of ordinary working expenses was $504,422.56 and the portion of Special Expenditure properly chargeable to Revenue $14,744.04. Further items amounting to $10,734.89 are included in respect of services rendered and materials supplied by Government departments, also payments by Railway during the year not provided for in the Railway Estimates but charged to Government votes. The working expenses exceeded the Revenue by $99,323.18.

Through and Joint Sectional passengers carried were as follows:—

	1923.	*1924.*	*1925.*
Passengers booked at Stations in British Section to Stations in China including Lowu..........................	250,719	168,734	16,224*
Passengers booked at Stations in China including Lowu to Stations in British Territory	249,152	157,115	16,316*

The Local Passengers carried were as follows:—

	1923.	*1924.*	*1925.*
Main Line	951,001	1,177,234	1,083,821
Fanling Branch Line...........	73,838	82,505	58,419

* Lowu bookings not included as formerly.

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(*a*)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, and the Kennedy Town Infectious Diseases Hospital.

The Civil Hospital contains 198 beds in 23 wards. 5,774 in-patients and 30,889 out-patients were treated during 1925 as against 6,106 and 31,347 respectively in 1924. 1,140 cases of malarial fever were admitted as against 1,020 in 1924 and 647 in 1923. The total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows an increase of 40 cases as compared with the year 1924. The Maternity Hospital contains 9 beds for Europeans, plus 3 extra beds, and 8 for Asiatics. 668 confinements occurred during the year as against 789 in 1924. The Victoria Hospital at the Peak contains 41 beds, and during 1925, 320 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 12 cases were treated in 1925, being infectious.

(*b.*)—LUNATIC ASYLUM.

The Asylum is under the direction of the Superintendent of the Civil Hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds. 308 patients of all races were treated during 1925 and there was 9 deaths.

(*c.*)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies; Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 450 beds in the buildings, and 9,133 patients were accommodated during 1925.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 70 beds and during 1925, 23 cases were treated.

The Alice Memorial and Affiliated Hospitals are managed and controlled by a General Committee consisting of subscribers and supporters of these institutions, and an Executive Committee consisting of representatives of the London Missionary Society and members of the General Committee.

The Affiliated Hospitals at present consist of the Alice Memorial Hospital Dispensary, temporarily replacing the Alice Memorial Hospital which was sold in 1921, the Nethersole Hospital, opened in 1893, the Alice Memorial Maternity Hospital opened in 1904, and the Ho Miu Ling Hospital opened in 1906.

The number of Inpatients in 1925 was 1,402, and the number of Outpatients, 81,715.

The total Expenditure was $60,360.51. The number of Labours in the Maternity Hospital in 1925 was 420. The Government grant to these Hospitals is $2,000.00 and a special grant is made to the Maternity Hospital of $300.00

The Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 215 patients. The existing buildings contain 215 beds and 6,862 patients were accommodated during 1925. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital received a grant of $33,500 in 1925 from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

One of the most important institutions in the Colony not supported by the Government is the Matilda Hospital, which stands on a commanding site of nearly three acres at Mount Kellet in the Hill District. An account of this hospital will be found in the report for 1917.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than twelve directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1925 the number of persons admitted was 297 and at the close of the year 62 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Eyre Diocesan Refuge is an institution, under mission auspices, founded for rescue work among the Chinese. It was housed in the Belilios Reformatory up to the outbreak of war, but the work is at present carried on at Kowloon City. A small grant is made by the Government.

The City Hall receives an annual grant of $1,200 from Government. It contains a theatre, some large rooms which are used for balls, meetings, concerts, etc, a museum in which are some very fair specimens, and a large reference and lending library, to which new volumes are added from time to time, as funds will allow. The building was erected in 1866-9 by subscription.

Small grants are also given to the Italian Convent, the French Convent, (both of which take in and tend abandoned or sick infants), the West Point Orphanage, the Seamen's Hospital, and other charitable institutions.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services, of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occured. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and sent them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was $77,375 for the year 1925. The Government makes an annual grant of $12,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 16,783 being a decrease of 789 or 4·4 per cent. as compared with 1924. There was in 1925 a decrease in serious offences of 738 or 16·4 per cent. as compared with the previous year. The number of serious offences reported was 365 below the average of the quinquennial period commencing with the year 1921. The number of minor offences reported shows a decrease of 48 as compared with 1924 and was 2,202 over the average of the quinquennial period.

The total strength of the Police Force in 1925 was Europeans 246, Indians 564, Chinese 945 making a total of 1,755 exclusive of the six superior officers and staff of clerks and coolies. These figures include police paid for by the railway and other Government departments. Of this force 15 Europeans, 39 Indians, and 153 Chinese were stationed in the New Territories during the year.

The District Watchmen Force, numbering 122, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol. A detective branch of the force has done useful work under the supervision of a European Inspector.

The total number of persons committed to Victoria Gaol was 6,339 as compared with 7,382 in 1924. Of these 613 were committed for criminal offences against 1,644 in 1924. Of committals for noncriminal offences there were 51 more for hawking without a licence, and 24 less for unlawfully cutting trees, than in 1924.

The daily average of prisoners confined in the Gaol was 1,116 the average for 1924 being 1,066, and the highest previous average being 861 in 1923. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·13. The average percentage for the last ten years was 0·32. Owing, however, to the large floating population, which is constantly moving between the Colony and Chinese Territory, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 350 prisoners in association.

The prison discipline was satisfactory, the average of punishments per prisoner being 0.71 as compared with 0.43 in 1924 and 0.32 in 1923.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, tin-smithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $122,221.20 as against $121,664.20 in 1924. A sum of $3,758 was received and credited to Government for non-Government work as against $4,427 in 1924.

IX.—VITAL STATISTICS.

(*a.*)—Population.

The civil population of the Colony, according to the census taken on April 24th, 1921, was 625,166, of whom 83,163 reside in the New Territories and in New Kowloon; at the census taken in 1911 it was 456,739 with 104,287 as the figure for the New Territories and New Kowloon. The estimated total population at the middle of the year under review was 874,420, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 786,920, of whom 16,500 were non-Chinese.

The distribution of population estimated to the middle of 1925 was as follows:—

Non-Chinese Civil Community,...			16,500
Chinese Population.	City of Victoria (including Peak),...	... 465,000	
	Villages of Hong Kong,...	... 33,040	
	Kowloon (including New Kowloon),	... 200,000	
	New Territories, ...	... 87,500	
	Population afloat, ...	... 72,380	
Total Chinese Population,...			857,920
Total Civil Population, ...			874,420

(*b.*)—Public Health and Sanitation.

The birth-rate for the year was 4·25* per 1,000 among the Chinese community and 22·6 per 1,000 among the non-Chinese community, as compared with 5·47 and 18·25 for 1924.

The death-rate for the year was 19·12 per 1,000 among the Chinese community and 14·6 among the non-Chinese civil community, as compared with 21·9 and 15·68 for 1924.

The deaths from Malaria numbered 702 (707 in 1924). The deaths of Chinese from this cause in the City of Victoria numbered 200 out of a population of 465,000 or a rate of 0·43 per 1,000 per annum.

The deaths from Plague numbered nil. The last deaths from Plague occurred in 1923.

Small-pox deaths numbered 41 of which all were Chinese.

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* This figure is wholly misleading as it is impossible to register more than a portion of the births.

There were 4,290 deaths from respiratory diseases other than Pulmonary Tuberculosis as compared with 4,319 in 1924, and 31 of these were among the Non-Chinese community. Pulmonary Tuberculosis claimed 1,859 Chinese and 31 non-Chinese victims whilst other forms of Tuberculosis represent an additional 401 deaths making a total of 2,358 or 15·28 per cent. of the total deaths among the community.

Beri-beri was responsible for 1,744 deaths, as compared with 1,502 during 1924 and 1,270 in 1923.

A tabular statement of the principal causes of death is appended.

(c.)—CLIMATE.

The climate of Victoria is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is on the average about 3° lower than at the Observatory, Kowloon, in the winter, and 8° lower in the summer. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the SW monsoon, being sheltered by steep hills from SE to SW. In winter it is exposed to the NE monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the south-west side of the Island is protected from the NE monsoon in winter and enjoys the benefit of the SW monsoon in summer.

For further particulars see Appendix F.

POSTAL AND TELEGRAPH SERVICES.

The total revenue from the postal service in 1925 amounted to $644,066.67 being $110,861.59 less than that collected in 1924. The net expenditure amounted to $284,419.66. The balance of revenue over expenditure amounted to $359,647.01.

The revenue collected in 1925 from radio-telegrams amounted to $80,342.69 being $10,846.28 more than that collected in 1924. Advices of vessels signalled at the lighthouses yielded $806.20 and semaphore messages $29.95 making a total of $81,178.84 for the telegraph service. The expenditure amounted to $71,741.66 The number of radio-telegrams forwarded during the year was 10,524 consisting of 122,914 words, and 13,180 were received consisting of 175,726 words.

W. T. SOUTHORN,
Colonial Secretary.

~~28th July 1925.~~
29th November 1926

Table I.—DEATHS REGISTERED IN THE COLONY OF HONG KONG DURING 1925.

		Scarlet Fever.	Blackwater Fever.	Relapsing Fever.	Typhus Fever.	Yellow Fever.	Rabies (Hydrophobia.)	Dengue Fever.	Paratyphoid Fever.	Influenza.	Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cerebro-spinal Meningitis.	Dysentery.	Plague.	Malarial Fever.	Cholera.	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
British and Foreign Community,	Civil,	...	...	...	...	...	...	...	...	2	...	...	8	2	1	9	...	10	1	...	1	4	1	23	3	7	1	4	7	...	12	20	30	11	4	...	8	83	4	256
Chinese Community,	Victoria and Peak,	...	...	...	...	...	...	...	...	26	15	3	61	18	46	187	...	200	...	2	38	271	68	199	248	165	195	825	58	94	135	1,720	1265	450	16	16	203	2169	101	8,794
	Harbour,	...	...	...	...	...	...	...	...	2	2	...	6	3	1	15	...	23	1	...	2	7	...	56	14	71	4	54	5	2	6	95	54	34	2	...	12	43	56	550
	Kowloon,	...	...	...	...	...	3	...	...	15	24	...	12	14	9	108	...	357	...	1	14	92	4	98	14	190	53	649	44	13	48	1,004	393	557	12	11	200	484	121	4,544
	Shaukiwan, Land	...	...	...	...	...	...	...	...	...	...	...	3	1	...	7	...	6	...	...	1	1	1	4	13	63	...	98	1	1	1	29	15	26	1	...	8	92	8	380
	Shaukiwan, Boat	...	...	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	34	...	34	...	...	...	...	1	...	...	...	...	44	1	115
	Aberdeen, Land	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2	...	53	...	...	...	1	...	4	...	10	...	40	1	...	...	7	30	2	...	...	2	9	...	161
	Aberdeen, Boat	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	37	...	...	...	...	...	1	1	31	...	33	...	...	...	...	40	...	...	1	...	2	1	147
	Stanley, Land	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3	...	15	...	...	...	...	...	1	...	6	...	7	...	...	...	3	3	...	...	...	...	5	...	43
	Stanley, Boat	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1
Total, 1925,		...	...	...	...	...	3	...	...	4[illegible]5	41	3	91	38	57	331	...	702	2	3	56	376	74	366	293	577	253	1744	116	110	202	2,878	1831	1080	35	28	433	2931	292	14,991
" 1924,		...	1	...	1	...	1	...	3	[illegible]2	795	14	113	40	70	432	...	707	...	8	65	429	75	355	409	564	340	1502	124	123	183	2,984	1642	1011	52	38	432	2660	32[illegible]	15,533

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No. 1356.

HONG KONG.

REPORT FOR 1926.

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HONG KONG.

ANNUAL GENERAL REPORT FOR 1926.

PREFACE.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nankin in August, 1842; and the charter bears the date 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 sq. miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration.

GENERAL OBSERVATIONS.

The boycott of British trade and shipping which began at the same time as the strike in June, 1925 did not, like the strike, collapse rapidly. It continued in full force throughout nearly the whole of 1926 by means of armed strike pickets, whose livelihood depended on it. Officially it was called off by the Canton authorities on 10th October, but intimidators managed to enforce its continuance for some time longer. The trade of the Colony consequently suffered severely, but despite all the difficulties in their way, the British merchants in South China managed to do a certain amount of business, and all confidently looked forward to the better times to come.

Generally there was a feeling of calm optimism; the Colony had not got through the wood yet, but our enemies, though they had, under Bolshevik influence, striven their utmost, had failed to ruin the trade of Hong Kong.

The Rents Ordinance, which restricted the landlords' right to raise rents was allowed to lapse after having been in force for four years.

The New Year opened with the fire on New Year's day at the Hong Kong Hotel, a great part of which was completely gutted. The damage was estimated at nearly two million dollars. There was one casualty; a bluejacket, who was assisting in fighting the fire, fell from a window and died of his injuries.

As a result of the fire a Committee was appointed to consider the fire fighting organisation of the Colony. Most of the recommendations of the Committee have been adopted by the Government.

Another calamity befell Hong Kong when on the night of 19th 20th July, a terrific thunder-storm exceeding in intensity any storm recorded within the last thirty-five years burst over the Colony. Several buildings were struck by lightning, one Indian soldier being killed in the barracks of the Punjabi Regiment in Kowloon. Nearly 20 inches of rain fell in the space of 8 hours. The damage, to Government works and property exclusive of Military, Naval and private losses ran into well over a million dollars, and will not be fully repaired under about twelve months. There were landslides, roads were washed out, and nullahs torn up. A huge boulder crashed into the pumping station at Pokfulum, killing 4 men, and seriously interfering with the water supply to the hill districts for some weeks. The lower levels of the City of Victoria were flooded to a depth of several feet and all the ordinary activities of the Colony were suspended for some days. The Peak tram service was totally suspended for a week. The rapidity with which essential communications were restored reflects the greatest credit on the officers of the Public Works Department.

The number of piracies on steamships was greater than it had been for many years. The most serious case was that of the S.S. "Sunning", which whilst on a voyage from Amoy to Hong Kong was captured on November 15th, by pirates who had travelled disguised as passengers. Resourceful and daring action, for which the Chief and Second Officers of the ship were mainly responsible, led to the re capture of the bridge. The pirates endeavoured to dislodge the officers from the bridge, but were repulsed time after time. Finally they set fire to the vessel, but the fire though it greatly damaged the ship did not help the pirates, all of whom were, so far as can be ascertained, either killed, drowned or captured. Of those captured eight were convicted of piracy and hanged.

A Commission was appointed to enquire into and report on anti-piracy measures in general but its report had not been issued by the end of the year.

Two large buildings were opened during the year, *viz.*, the Government Offices and Fire Station on Connaught Road opposite the Central Market, and the new Banque de l'Indo-Chine building on Queen's Road.

An investiture was held at Government House on 13th March, when H. R. H. Prince George, K.G., G.C.V.O., invested His Excellency the Governor, Sir Cecil Clementi as K.C.M.G., Knighted the Hon. Sir Shou-son Chow and invested the Hon. Mr. E. R. Hallifax with the badge of C.M.G., Mr. George Duncan with the badge of M.B.E. and Mr. George White with the Royal Albert Medal.

At the 17th Congregation of the University of Hong Kong held on 12th January, the degree of Doctor of Laws (Honoris Causa) was conferred on His Excellency the Governor, Sir Cecil Clementi, K.C.M.G., the Hon. Mr. R. H. Kotewall, Mr. R. Ponsonby Fane, and Sir R. E. Stubbs, K.C.M.G., (in absentia).

The news of the death in England on 25th May of the Hon. Mr. P. H. Holyoak came as a shock to the Colony. The late Mr. Holyoak had been an indefatigable worker both as an Unofficial member of the Legislative and Executive Councils, and as Chairman of the Hong Kong General Chamber of Commerce.

Two days later on 27th May, there passed away in Hong Kong the Hon. Sir Paul Chater, C.M.G., the most prominent figure in the public and commercial life of modern Hong Kong. Sir Paul had spent over sixty years in the Colony, during which period he had devoted himself not only to business but also to the general welfare of the community. He was first appointed to the Legislative Council in 1886, and was an Unofficial Member of the Executive Council from 1896 to the time of his death.

On 29th August, Mr. Ho Fook, a scion of a well known Chinese family in Hong Kong, died. Mr. Ho Fook before his retirement from active participation in the affairs of the community had been an Unofficial Member of the Legislative Council, and had been a leading member of all the most important of the Chinese public bodies.

The Hon. Mr. A. G. M. Fletcher, C.M.G., C.B.E., Acting Colonial Secretary who had served as a Cadet Officer in Hong Kong for 24 years left on 9th January for Ceylon, of which Colony he had been appointed Colonial Secretary.

On 1st May, the Honourable Mr. W. T. Southorn of the Ceylon Civil Service arrived in Hong Kong and took up the duties of the post of Colonial Secretary.

I.—FINANCES.

The revenue for the year amounted to $21,131,582 being $235,161 less than the estimate and $2,112,783 less than the revenue for the previous year.

Compared with the returns for 1925 there were decreases under all the heads except Kowloon-Canton Railway, Licences and Internal Revenue and Miscellaneous Receipts.

The expenditure amounted to a total of $23,524,716 inclusive of a sum of $4,720,000 spent on Public Works Extraordinary.

The detailed figures for 1926 are set out in the following statements:—

HEADS OF REVENUE.	$ c.
Light Dues	110,543.80
Light Dues, Special Assessment	127,655.26
Licences and Internal Revenue not otherwise specified	14,020,850.58
Fees of Court or Office, Payments for specific purposes, and Reimbursements in Aid	1,488,587.15
Post Office	766,539.87
Kowloon-Canton Railway	538,044.73
Rent of Government Property, Land, and Houses	1,264,799.24
Interest	237,443.67
Miscellaneous Receipts	2,290,775.73
TOTAL, (Ordinary)	$20,845,240.03
Land Sales, (Premia on New Leases)	286,341.61
TOTAL	$21,131,581.64

The total expenditure brought to account amounted to $23,524,716 being $265,899 less than the estimate, and $4,724,102 less than the expenditure in 1925. Miscellaneous Services exceeded the estimate by $230,130 chiefly on account of the upkeep of emergency organisations brought into existence by the political situation.

Military Expenditure exceeded the estimate by $173,824.

EXPENDITURE.	$ c.
Governor	115,162.79
Cadet Service	292,521.59
Junior Clerical Service	669,125.82
Colonial Secretary's Department and Legislature	55,136.12
Secretariat for Chinese Affairs	8,147.42
Audit Department	45,609.05
Treasury	25,045.41
Harbour Master's Department	619,442.78
Imports & Exports Department	667,665.32
Royal Observatory	45,158.87
Miscellaneous Services	990,467.63
Judicial and Legal Departments	267,171.45
Police Force	1,745,084.97
Fire Brigade	206,232.50
Prison Department	472,337.42
Medical Department	723,228.88
Sanitary Department	569,392.24
Botanical and Forestry Department	87,541.09
Education Department	910,063.09
Military Expenditure	4,247,038.09
Public Works Department	1,248,864.89
Do. Recurrent	1,822,816.80
Do. Extraordinary	1,720,000.19
Port Development Department	59,299.30
Port Works Extraordinary	526,670.93
Post Office	120,848.45
Kowloon-Canton Railway	766,402.88
Charge on Account of Public Debt	903,272.29
Pensions	578,765.67
Charitable Services	115,842.01
TOTAL	$23,524,715.94

The balance to the debit on the year's working was $2,393,134 and the assets and liabilities account showed on the 31st December a credit balance of $3,486,290.54.

The following is a statement of the revenue and expenditure of the Colony for the five years 1922-1926:—

	Revenue.	*Expenditure.*
	$	$
1922	22,291,065	18,563,003
1923	24,783,763	21,571,905
1924	24,209,640	26,726,428
1925	23,244,365	28,266,870
1926	21,131,582	23,524,716

The amount of the consolidated loan stands at £1,485,733. Against this there is at credit of the Sinking Fund a sum of £533,787. The Local Loan under Ordinance No. 12 of 1916 amounts to $3,000,000 and there are the sums of $1,834,927 and £120,653 at credit of the Sinking Fund.

A new valuation for Assessment was made for the year commencing 1st July, 1926, resulting as follows:—

Increases:—

The City of Victoria	$ 701,338
The Hill District	13,940
Hong Kong Villages	88,567
Yaumati	5,380
Mongkoktsui	6,115
Hunghom and Hok Un	2,530
Kowloon Villages	8,212

Decreases:—

New Territories	48,555
Shaukiwan, Saiwanho and Quarry Bay ...	36,317
Kowloon Point	30,835

The rateable value of the whole Colony amounted to $27,998,237 having increased by $710,357.

During the period 1917-1926 the assessment of the whole Colony has risen from $14,410,153 to $27,998,237, an increase in rateable value of $13,588,084.

The circulation on the 31st December of notes of the three Banks having authorised issues was as follows:—

Hong Kong & Shanghai Banking Corporation	$ 50,842,258
Chartered Bank of India, Australia, & China	15,612,909
Mercantile Bank of India, Limited ...	1,730,584
	$ 68,185,751

The currency of the Colony consists, in addition to the notes of these Banks, of British, Hong Kong, and Mexican Dollars and of subsidiary coin, which continued at par throughout the year.

The total issue of subsidiary coins, less those demonetized, now amounts to $17,914,370 nominal value, and they were up to the year 1905 readily absorbed at par, large quantities being taken by the neighbouring provinces of China. During 1916 ten cent pieces of the face value of $5,028,000 were shipped to Calcutta for purposes of demonetization. The discount which prevailed between 1905 and 1916 may be attributed to the immense quantity of similar coin which was minted at Canton as well as to the amount of Hong Kong coin minted largely in excess of the needs of the Colony by itself. In 1905 the Hong Kong Government ceased to issue any subsidiary coin and in 1906 it began a policy of demonetising all its subsidiary coin received as revenue. This policy was continuously followed till 1918 except during a brief period in 1911. Coin to the face value of $26,235,459 has thus been redeemed. The total issue by the Hong Kong Government was of the face value of $44,099,830.

STATEMENT OF SUBSIDIARY COINS.

Received and redeemed (from 1911)

Blue Book 1911. Amount in circulation.		$43,999,830
Since received :—Copper coin.		
1919...	25,000.00	
1923...	25,000.00	
1924...	50,000.00	
1925...	25,000.00	
1926...	25,000.00	150,000
Total Amount put into circulation ...		...$44,149,830
Less since redeemed :—		
1911... ...	...5,527,459.04	
1912... ...	...1,040,000.00	
1913... ...	...1,040,000.00	
1914... ...	...5,000,000.00	
1915... ...	...5,100,000.00	
1916... ...	...5,028,000.00	
1918... ...	... 500,000.00	
1922... ...	...3,000,000.00	26,235,459.04
Total Amount of coin in circulation in 1926...		$17,914,370.96

II.—SHIPPING AND TRADE, INDUSTRIES, FISHERIES, AGRICULTURE, AND LAND.

(a.)—SHIPPING.

The total Shipping entering and clearing at Ports in the Colony during the year 1926 amounted to 310,361 vessels of 36,821,364 tons, which compared with the figures of 1925 show a decrease of 68,806 vessels and a decrease of 4,648,220 tons.

Of the above 30,231 vessels of 28,371,104 tons were engaged in Foreign Trade as compared with 41,336 vessels of 32,179,053 tons, in 1925.

There was a decrease in British ocean-going shipping of 515 ships of 609,403 tons. This decrease in ships and tonnage is due to the boycott in China generally.

Foreign ocean-going vessels shows a decrease of 1,295 ships and a decrease of 1,729,675 tons. This decrease in ships and tonnage is due to the boycott in China generally.

British river steamers show an increase of 228 ships and an increase of 18,314 tons or 43.0% in numbers and 16.3% in tonnage. This increase in ships and tonnage is due to the vessels again running on the Canton and West rivers.

Foreign river steamers show a decrease of 1,036 ships and a decrease of 345,143 tons. This decrease in ships and tonnage is due to the foreign river steamers not running until the latter part of the year.

In steamships not exceeding 60 tons employed in foreign trade there is a decrease of 2,557 ships with a decrease in tonnage of 78,167 tons. This decrease in launches and tonnage is due to the boycott in China generally.

A comparison between the years 1925 and 1926 is given in the following table:—

Class of Vessels	1925.		1926.		Decrease.		Increase.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going, ...	3,916	9,866,820	3,401	9,257,417	515	609,403	...	...
Foreign Ocean going, ...	5,763	13,786,954	4,468	12,057,279	1,295	1,729,675	...	...
British River Steamers, ...	4,058	5,455,115	4,276	5,473,429	...	...	218	18,314
Foreign River Steamers, ...	1,266	452,878	230	107,735	1,036	345,143	..	...
Steamships under 60 tons (Foreign Trade)	5,386	165,497	2,829	87,330	2,557	78,167	...	...
Junks, Foreign Trade, ...	20,947	2,451,789	15,027	1,387.914	5,920	1,063,875	...	...
Total, Foreign Trade, ...	41,336	32,179,053	30,231	28,371,104	11,323	3,826,263	218	18,314
Steam Launches plying in Water of the Colony,	310,924	8,050,939	249,902	6,975,072	61,012	1,075,867	...	...
Junks, Local Trade, ...	*26,917	*1,239,592	†30,218	†1,475,188	...	...	3,301	235,596
Grand Total...	379,177	41,469,584	310,361	36,821.364	72,335	4,902,130	3,519	253,910
Net Decrease..................					68,816	4,648,220	...	..

† Including 15,890 Conservancy and Dust Boats of 693,660 tons.

* ,, 16,294 ,, ,, ,, ,, of 736,688 ,,

Junks in foreign trade show a decrease of 5,290 vessels, and a decrease of 1,063,875 tons. This decrease is due to the boycott in China generally.

In local trade (*i.e.* between places within the waters of the Colony) there is a decrease in steam-launches of 126,024 and a decrease in tonnage of 2,151,743 tons. This decrease in numbers and tonnage is due to the recent strike and the boycott in China generally.

Junks in Local trade show an increase of 3,301 vessels and an increase of 235,596 tons. This increase in vessels is due principally to junks held in Canton and districts in 1925 during the boycott being released and coming to Hong Kong waters and remaining here for local trading.

Of vessels of European construction 3,930 ocean steamers, 2,244 river steamers and 1,399 steamships not exceeding 60 tons entered during the year, giving a daily average of 20·8 ships as compared with 28·9 ships in 1925 and 41·2 ships in 1924.

Thus:—

Flag.	Steamers.		No. of times entered.		Total Tonnage.	
	1925.	1926.	1925.	1926.	1925.	1926.
British, ...	371	339	1,946	1,686	4,922,197	4,597,357
Japanese, ...	269	207	1,153	755	2,826,465	2,236,359
U.S.A., ...	69	69	224	236	1,370,638	1,510,383
Chinese, ...	65	61	323	606	365,450	245,697
German, ...	33	34	78	90	332,495	337,318
Danish, ...	12	14	42	23	117,249	78,025
Dutch, ...	45	40	244	232	754,440	785,696
French, ...	26	31	177	108	453,272	445,567
Italian, ...	13	9	35	27	130,895	127,870
Panaman, ...	2	1	2	1	3,239	9,953
Chilean, ...	7	—	126	—	71,549	—
Norwegian, ...	55	17	286	111	319,006	152,641
Portuguese, ...	9	5	109	33	46,166	23,856
Russian, ...	1	1	1	1	915	241
Siamese, ...	1	—	1	—	377	—
Swedish, ...	7	7	15	12	58,915	46,180
Spanish, ...	3	3	14	8	37,670	19,236
Belgian	—	1	—	1	—	3,181
Total.	1,015	869	4,776	3,930	11,810,938	10,619,560

The Nationalities of the Crews in British and in Foreign Ships were as follows :—

	VESSELS.		BRITISH CREW.		OTHER EUROPEANS AND AMERICANS.		ASIATICS.	
	1925.	1926.	1925.	1926.	1925.	1926.	1925.	1926.
British, ..	371	339	32,498	36,391	1,320	809	165,776	286,579
Foreign,	644	530	741	611	39,395	38,618	175,884	149,135
Total, ...	1,015	869	33,239	37,002	40,715	39,427	341,660	435,714

Hence in British ships :—

1925.	*1926.*	
16·28 %	11·24 %	of the crews were British.
00·66 %	00·25 %	of the crews were other Europeans & Americans.
83·06 %	88·51 %	of the crews were Asiatics.
100·00 %	100·00 %	

and in Foreign ships:—

1925.	*1926.*	
00·34 %	00·33 %	of the crews were British.
18·24 %	20·50 %	of the crews were other Europeans & Americans.
81·42 %	79·17 %	of the crews were Asiatics.
100·00 %	100·00 %	

TRADE.

The number and tonnage of ships of European type of construction carrying cargo for import and transit compared with 1925 were as follows :—

	1925.		1926.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage
Steamers, ...	4,776	11,810,938	3,930	10,619,560	846	1,191,378
River Steamers, ...	3,085	2,947,848	2,244	2,775,474	841	172,374
Sailing Vessels, ...	—	—	—	—	—	—
Total, ...	7,861	14,758,786	6,174	13,395,034	1,687	1,363,752
Decrease, ...					1,687	1,363,752

The corresponding figures relating to ships of European type of construction, shipping bunker coal, are as follows:—

EXPORTS.

	1925.		1926.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
Steamers, …………………………	4,903	11,842,836	3,930	10,695,136	…	…	973	1,147,700
River Steamers, ………………	2,239	2,960,145	2,262	2,805,690	23	…	…	154,455
Total,	7,142	14,802,981	6,192	13,500,826	23	…	973	1,302,155
			Nett Decrease, …		…	…	950	1,302,155

	1925.		1926.		Increase.		Decrease.	
	No.	Bunker Coal. Tons.	No.	Bunker Coal. Tons.	No.	Bunker Coal. Tons.	No.	Bunker Coal. Tons.
Steamers, …………………………	4,903	355,707	3,930	252,752	…	…	973	102,955
River Steamers, ………………	2,239	94,061	2,262	41,504	23	…	…	52,557
Total,……………	7,142	449,768	6,192	294,256	23	…	973	155,512
			Nett Decrease, …		…	…	950	155,512

The River Trade compared with 1925 is shown in the following Table :—

Year.	Imports. Tons.	Exports. Tons.	Passengers.
1925	201,128	318,502	1,800,474
1926	117,421	123,322	1,071,211

The following Tables show the Junk Trade of the Colony for the year 1925 and 1926 :—

IMPORTS.

	1925.		1926.	
	Junks.	*Tonnage.*	*Junks.*	*Tonnage.*
Foreign Trade,	10,196	1,209,742	7,388	704,111
Local Trade,	5,327	262,051	6,859	323,352
Total,	15,523	1,471,793	14,247	1,027,463

Cargo.	*Tons.*
Cattle, 309 heads,	35
Swine, 13,254 heads	777
General,	267,587
Total,	268,399

EXPORTS.

	1925.		1926.	
	Junks.	*Tonnage.*	*Junks.*	*Tonnage.*
Foreign Trade,	10,751	1,242,047	7,639	683,803
Local Trade,	5,700	283,881	7,065	415,148
Total,	16,451	1,525,928	14,704	1,098,951

Cargo.	*Tons.*
Kerosine, 581,148 Cases,	20,660
Rice and Paddy,	6,376
Coal,	13,591
General,	324,506
Total,	365,133

Emigration and Immigration.

Two hundred and sixteen thousand, five hundred and twenty-seven (216,527) emigrants left Hong Kong for various places during the year 1926, (140,534 in 1925). Of these, 131,656 were carried in British ships, and 84,871 in foreign ships.

One hundred and twenty-eight thousand, six hundred and sixty-one (128,661) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this colony or from coast ports, as against 91,622 in 1925. Of these, 76,147 arrived in British ships, and 52,514 in foreign ships.

Statement of number of emigrants to Straits Settlements, 1915 to 1926, compared with total Chinese emigration.

	No. of Emigrants to Straits Settlements.	Total No. of Emigrants.
1915	41,278	68,275
1916	82,797	117,653
1917	63,292	96,298
1918	8,019	43,830
1919	11,638	59,969
1920	43,935	105,258
1921	87,324	156,011
1922	50,356	98,393
1923	65,584	120,224
1924	75,682	129,859
1925	97,552	140,534
1926	157,285	216,527

(*b.*)—INDUSTRIES.

Sugar.—At the commencement of the year prices of raws were low in consequence of the over production during 1925. As there were prospects of the Cuban crop for 1925-26 exceeding that of the previous year the Cuban Congress decided to limit the outturn by legislation. This resulted in strengthening the market and prices of raws advanced, especially towards the end of the year. The value of refineds responded to this to some extent, but on account of the continued disturbances throughout China demand was considerably curtailed and prices consequently did not reach a corresponding level.

Rope Making.—The demand for Manila cordage for 1926 was restricted owing to depression in Shipping and the Political trouble in China.

(c.)—FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

(d.)—FORESTRY, AGRICULTURE, AND BOTANY.

Formation of Pine tree plantations.

The extension of old plantations and formation of new ones were carried on both on the Island and in the new Territories, seeds of *Pinus Massoniana* were sown *in situ* to the number of 18,700 on low hills adjoining Pokfulum Reservoir, 27,000 on hills adjoining Kowloon Service Reservoir and 24,800 at Shek Li Pui, the total weight of seeds used was fifty-six pounds.

On areas thickly covered with grass and small shrubs, seeds of *Pinus Massoniana* were sown by the broadcast method, the areas dealt with were hills at Shek Li Pui, Taipo Forestry Reserve, Fan Ling and banks below and above roads at Shek O, Taipo, Castle Peak, Stubbs and Magazine Gap; the total weight of seeds used was 1,100 pounds.

Other Broadcast Seed Sowing.

110 pounds of seeds of *Leucaena glauca* were sown broadcast on grassy slopes in many parts of the Colony.

Broad-leaved trees planted.

One year old trees of *Cinnamomum Camphora* to the number of 4,300 were added to the existing plantation at Tai Wo Po.

Large numbers of trees were used in the extension and maintenance of roadside planting, the species used being *Melaleuca Leucadendron*, *Cinnamomum Camphora*, *Bauhinia Blakeana*, *Bauhinia variegata*, *Celtis sinensis*, *Poinciana regia*, *Bischofia javanica*, *Albizzia Lebbek*, *Eriodendron anfractuosum*, (Kapok), *Sterculia lanceolata*, *Tristania conferta*, *Crataeva religiosa*, *Aleurites Fordii*, *Aleurites montana* and *Aleurites triloba*.

On Cheung Chau Island various trees to the number of 434 were planted on plots adjoining public paths and buildings.

Care of trees in plantations.

Thick undergrowth and creepers were cleared from the more recently established plantations, in the older plantations thinning was carried out, large creepers cut and clumps of Loranthus removed.

Large numbers of *Tristania conferta* and *Cinnamomum Camphora* were given a dressing of Solignum to prevent damage by white ants.

Pine tree plantations were free from attack by caterpillars, this most fortunate circumstances being very probably due to unfavourable weather conditions during an early stage of the life cycle of the pest.

Protection from fire.

The new fire barrier round the Hin Tin Tsun forestry area was completed in August, new barriers 20 feet in breadth were cut round every grave on hills above and below Shek O Road.

The majority of all old fire barriers were cleared before the commencement of the dry season, the total length dealt with amounted to 2¾ miles in Hong Kong, 7 miles in the New Territories and 5 miles at Fan Ling. The work was still in progress at the end of the year.

All forestry paths were cleared of undergrowth, rocks and other debris, small portions which has been washed out were re-cut and resurfaced.

Nurseries, Agriculture, &c.

Fan Ling Experimental Garden. Two plots of Jute (*Corchorus capsularis* and *Corchorus olitorius*) were tried for the first time, the first named grew well and reached a height of 7 feet when it was harvested and retted, samples were forwarded to the Imperial Institute and a report received in due course stated that the fibre was of excellent quality.

Two plots of a large variety of Ground Nuts were planted in an area heavily dressed with vegetable ash and common lime, a heavy crop of excellent nuts was harvested, so far attempts at inducing the farmers to use the improved variety of nut have not been successful.

One plot of Foxglove (*Digitalis purpures*) was raised, 33 per cent of the young plants (which are biennial) survived the heavy summer rains and were healthy at the end of the year. In due course the fresh leaves will be supplied to the Medical Department.

Little Hong Kong and Kowloon Tsai Tree Nurseries. Large numbers of seedling trees were raised for use on the Island in the former and for the New Territories in the latter.

China Fir (*Cunninghamia sinensis*) seeds collected locally were sown in both nurseries and give a high percentage of germination, formerly all young trees were raised from cuttings which were not easily obtainable.

Camphor seedlings to the total number of 12,156 were raised and basketed in readiness for planting in the following year.

Taipo Forestry Reserve. Further additions were made to the plantations on the lower slopes of the reserve, trees planted were *Aleurites montana* 1,840, *Artocarpus integrifolia* 390, and *Cinnamomum Camphora* 2,300.

At the upper end of the reserve and where the grass is shorter a large area was sown by the broadcast method with seeds of *Pinus Massoniana* and *Pinus radiata*.

Large numbers of seedling trees of various species were raised in the nursery.

The first and second rice crops were good.

Ginger was extensively planted and harvested and was of very good quality.

There was a noticeable increase in planting of both summer and winter vegetables. Such vegetables were of fair quality only but found a ready market.

There was a good crop of the poor variety of Ground Nut.

Inspection of Nursery Stocks.

Owing to the fact that the importation of bulbs of *Narcissus Tazetta* into the United States of America is now prohibited, very small numbers of the bulbs passed through the Colony during the year; formerly a very extensive trade was carried on between the bulb growers in Amoy and the United States of America.

Six consignments totalling 156,880 bulbs were inspected and certificated as against 100 consignments totalling 1,450,660 in 1925.

(e.)—LAND GRANTS AND GENERAL VALUE OF LAND.

The net amount of premium received from Sales of Crown Land exclusive of the New Territories during the year 1926 was $252,530.95 a decrease of $114,995.82 on the preceding year and $1,558,107.64 less than the average of the previous five years; this average is however an unusually high one as it covers the years of the land boom.

The principal items were $95,031.25 for Kowloon Inland Lot No. 1992, $25,810.00 for Inland Lot No. 2615, $24,630 for Inland Lot No. 1946 and $22,525 for Inland Lot No. 2614.

In the New Territories the net amount received for premium was $26,091.79.

The total area of land granted during the year was 1,386 Acres 3 Roods and 1½ poles of which 209 Acres and 8¼ Poles were dealt with by the District Officers.

The total area resumed was 2,065 Acres 2 Roods 34¾ Poles including two large mining lots for which mining licences have since been granted.

The number of deeds registered in the Land Office was 4,360 which is a slight increase on the preceding year.

The Northern District of the New Territories has not yet recovered from the Conditions which prevailed in 1925; the demand for building sites in the development areas is still small, on the other hand in rural area there is quite a good demand for agricultural land and many new Village houses are being erected.

In the Southern District there was an almost complete cessation of demand for sites. No European or industrial applications were received, and only three agricultural lots, *viz.* at Mui Wo, Lantao Island.

There were a few applications for sites on Lantao plateau but these were held up pending completion of the cadastral survey. Considerable trouble has been experienced in securing the fulfilment of Building Covenants relating to lots already sold.

III.—LEGISLATION.

Sixteen (16) ordinances were passed during 1926, of which five were amendments of previous ordinances.

The most important matters with which these ordinances dealt were:—

The Regulations (No. 1)—The object of this ordinance was to authorise the preparation of a new edition of the regulations in force in the Colony at the end of 1925.

The Rating (Refunds), (No. 3)—The object of this ordinance was to refund rates.

The Former Enemy Aliens, (Disabilities Removal) (No. 4)—The object of this ordinance was to repeal certain enactments imposing disabilities on former enemy aliens.

The Hong Kong Treasury Bills (Local). (No. 5)—The object of this ordinance was to authorise the Governor-in-Council to borrow by the issue in Hong Kong of Hong Kong Government Treasury bills.

The Hong Kong Treasury Bills (London), (No. 6)—The object of this ordinance was to authorise the Governor-in-Council to request the Crown Agents for the Colonies to borrow by the issue in London of Hong Kong Government Treasury bills.

The Bank of Canton Limited (Capital Conversion). (No. 8)—The object of this ordinance was to empower the Company to convert gold capital into silver.

The Wireless Telegraphy (No. 11)—The objects of this ordinance were to make it necessary for receiving sets to be licensed and to make it an offence to maintain, or possess, a wireless telegraph station without a license.

The Trade Loan (No. 13)—The object of this ordinance was to charge a certain loan upon the general revenue and assets of the colony of Hong Kong.

IV.—EDUCATION.

The European staff was increased by nine during the year.

The total number of pupils at schools in the Colony excluding the Police School are :—

	Number of Pupils.		Total.
	English Schools.	Vernacular Schools.	
Government Schools -	3,280	293	3,573
Military Schools - - -	136	—	136
Excluded Private Schools	150	—	150
Grant Schools - - -	3,901	1,041	4,942
Controlled Private Schools - - - -	3,376	21,088	24,464
Controlled Private Schools, New Territories - - - - -	15	4,890	4,905
Technical Institute - -	460	—	460
Total - - -	11,318	27,312	38,630

The most important schools are *Queen's College* and *King's College* for Chinese, three *District Schools* their feeders and the *Belilios Public School* for Chinese girls. There is an *Indian School* of growing importance housed in a building presented to the Colony by the late Sir Ellis Kadoorie. *The Central School* and *Kowloon Junior*, *Victoria* and *Quarry Bay Schools* for children of

British parentage have an average attendance of 272. There is also a school for the children of the Peak District with an average attendance of 42. The *Diocesan School* and *St. Joseph's College* are important boys' schools in receipt of an annual grant. The *Italian, French*, and *St. Mary's Convents*, the *Diocesan Girls' School*, and *the St. Stephen's Girls School* are the most important of the English Grant Schools for girls. There are two Vernacular Normal Schools for Men and Women respectively, and one Vernacular Middle School.

The Hong Kong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1926 in Building Construction, Chemistry (Practical and Theoretical), Physics, Electricity, Commercial English, French, Shorthand, Book-keeping and Cookery. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from the members of the medical and educational faculties of the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

The late Sir Hormusjee Mody bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile. The latest addition to the buildings is a workshop built out of a contribution from Sir Robert Ho Tung.

The annual income of the University now amounts to about $510,000 of which about $315,000 comes from endowments and $50,000 from Government. Messrs. Butterfield and Swire gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockefeller Institution has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000.

The expenditure for the year 1926 amounted to $495,556.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B., and B.S. The degrees of M.D., and M.S., may be obtained for post-graduate work. The degrees above mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure arts and science, social science, commerce and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is granted, *honoris causa.*

The site of the University was given by the Government of Hong Kong. As subsequently enlarged by minor grants and by purchase, the University estate covers an area of 709,789 sq. ft. The view from the grounds over the harbour is magnificent and the grounds are naturally beautiful.

In the main buildings are housed the chemical and physical laboratories, the University library and portions of the engineering laboratories. They further include the Great Hall, a Senate room and the lecture and class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of anatomy, physiology, pathology and tropical medicine, erected at the cost of Chinese gentlemen resident in the Colony. Clinical instruction is given at the Government Civil Hospital.

Special engineering buildings include :—

(*a*) a power station, generating light and power for the estate, energy being supplied by internal combustion engines of varied types which are available for instructional purposes ;

(*b*) a prime movers (steam) and hydraulics laboratory, at present housed in a converted pumping station, formerly the property of the Government ; and

(*c*) A workshop, for practical instruction of students.

Electrical machinery (other than the main generating plant), electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include:—

(*a*) the Vice-Chancellor's Lodge

(*b*) Staff-quarters

(*c*) the resident hostels, and

(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University or recognised hostel.

The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall.

Recognised hostels are at present two in number—Morrison Hall, situated immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual common rooms. Each University hostel is in charge of a member of the staff, as resident warden.

No University hostel at present exists for women students—whose right to admission to the University was first recognised in 1921; but some arrangements for the accommodation of a few women students in a rented building have been made by the authorities of St. Stephen's Girls' College, a Church of England girls' school which is near the University. The nuns of a neighbouring Italian convent are also prepared to house a few women students.

The tuition fee is $300—the hostel fee which includes board and lodging is $300. A student who is allowed to live in a hostel during a vacation—some have to because of their work, *e.g.* medical students, and others because their homes are too far away—pay at the rate of $8 a week. When a student joins he is required to deposit caution money to the extent of $25, and to pay a registration fee of $5. The annual subscription to the University Union is $15 and this covers the annual subscription to practically all the athletic clubs. The graduation fee is $25. Probably about $1,200 represents the minimum amount which at present prices would cover a student's annual expenses including vacations. It would cost a

Chinese student who goes abroad $2,500 a year at the very least, and this would not cover travelling expenses.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government. There are also scholarships provided by the Governments of Hong Kong, of the Straits Settlements and Federated Malay States, of Kedah and Siam.

The Union is the centre of the social life of the students. It is at once a Club and a centre of athletics. The Union Committee contains certain members of the University teaching staff, but its President and Secretary are undergraduates elected by the undergraduates. The undergraduate members of the Committee are also elected by their fellow students. There is a Union magazine with English and Chinese sections. The editors are students, a member of the teaching staff acting as assistant editor. There are twenty-one women students; these women students are all members of the Union.

Students of the University come from Kwangtung, Chilhi, Hankow, Hupeh, Yunnan, Hunan, Shanghai, Pekin, Fukien, Singapore, Penang, Kuala Lumpur, Kedah, Jahore, Java, Manila, Burma, Siam, Japan, India and Macao. The present enrolment is 289 of whom 248 are Chinese and 43 non-Chinese.

PUBLIC WORKS.

BUILDINGS.

During the year progress as stated was made on the following works:—

Hong Kong.—Work on the new Fire Brigade Station proceeded satisfactorily and the building was completed and occupied during the period September to December.

The following works were also completed during the year:—

New King's College, the New Sisters' Quarters to the Government Civil Hospital and the Alterations to the Victoria Hospital. Work on the Additional Quarters in Ventris Road was recommenced in March and continued satisfactorily to the end of the year.

Kowloon.—The small amount of work remaining to be done to the New Hospital was completed early in the year and a few minor improvements were carried out to other buildings.

New Kowloon.—The work for the New Gaol at Ngau Shi Wan was left in abeyance.

New Territories.—Married Quarters for Chinese Police were completed at the following stations:—Cheung Chau, Sai Kung, Taipo and Sha Tau Kok.

The work of erection of Quarters for Cadets at Canton was suspended until about the end of October; from this time until the end of the year satisfactory progress was made.

COMMUNICATIONS.

Hong Kong.—The work on the road contouring Wong Nei Chong and Tai Hang Valleys made slow progress, owing to difficulty with resumptions of lots at Tai Hang Village: the section near Tai Hang Village remains uncompleted.

The work on the road from Causeway Bay to Quarry Bay was held in abeyance.

The Road construction in the Wong Nei Chong Development Scheme made fair progress.

Kowloon.—The removal of the hill obstruction at the junction of Nathan Road and Gascoigne Road was completed.

To Kwa Wan Road and Argyle Street Extension to Waterloo Road made fair progress.

The work on Chatham Road proceeded slowly and the contract was closed before the end of the year.

The Mong Kok-Kowloon City road was completed.

New Kowloon.—Waterloo Road from Kowloon Boundary to foot hills made fair progress.

New Territories.—The Fanling-Sha Tau Kok Road and the widening of all the bridges on the Castle Peak-Fanling Road, including those at Au Tau and Kam T'sin, were completed. The construction of the approach to the New Bridge at Tai Po to replace that washed away in 1925 made fair progress.

DRAINAGE.

Hong Kong.—Considerable progress was made on the reconstruction of Wong Nei Chong Nullah, sections 1 and 2 (from Blue Pool to the Race Stands) being practically completed.

New Sewers and storm water drains were constructed, to the extent of 6,500 feet.

Good progress was made with the redrainage of the area between the Praya and Queen's Road East, in connection with the Praya East Reclamation Scheme.

Kowloon.—The Ma Tau Chung Nullah was completed. Storm water drains from 15″ to 66″ in diameter were constructed in the Matauchung District, to a length of 5,600 feet.

The main sewer from Fuk Tsun Heung to Kowloon Tong, east of the Railway, was completed. It varies in size from 6″ to 33″ and is 8,500 feet in length.

Other sewers and storm water drains were constructed to the extent of 7,000 feet.

New Kowloon.—The drainage of the Kowloon Tong Development Area was proceeded with, sewers and storm water drains being constructed to the extent of 6,500 feet and 3,000 feet respectively.

Other sewers and storm water drains were laid to the extent of 2,900 feet.

The extension of the Mong Kok Tsui Nullah from the Old Kowloon Boundary to the Kowloon range of hills progressed slowly.

New Territories.—Various works were carried out, largely of an anti-malarial nature.

WATER WORKS.

Hong Kong.—The eastern half of the Service Reservoir at the Eastern Filter Beds was completed, with the exception of the roof, and was put into use, while the invert and walls of the western section were approaching completion.

The new Simpson Engine at Tytam Tuk Pumping Station was completed and placed in commission after satisfactory tests had been run.

Stanley Mound East Catchwater was satisfactorily completed.

Totals of 950 lin. ft. of 18″ diameter, 2,500 lin. ft. of 15″ diameter and 300 lin. ft. of 6″ diameter C.I. pipes were laid in Monmouth Path, Queen's Road Central and D'Aguilar Street respectively during the year.

A Contract for the Chemical House and Concrete Filter Beds at Bowen Road was let and good progress had been made by the end of the year.

New mechanical sand washers were received during the year and a considerable saving has been affected in sand washing costs.

Kowloon.—Improvements and renewals to the distributing system were continued.

The four new filter beds at Lai Chi Kok Pass were completed and placed in commission.

The extension to Beacon Hill Catchwater was completed.

Shing Mun Valley Scheme.—The Access Road from Tsun Wan to Pineapple Pass was completed.

The North and South Tunnels under Smugglers' Ridge and Golden Hill respectively, a total length of 6,672 lin. ft., were completed.

The Reception Reservoir was completed and filled with water from the Shing Mun River by means of the tunnels before the end of the year.

The 24″ diameter steel mains arrived from England, but no laying was undertaken.

RECLAMATIONS

Hong Kong.—Praya East, about 90 acres, of which about 58½ acres were reclaimed by the end of the year.

Quarry Bay.—3½ acres, wholly completed.

North Point.—Private scheme, 23½ acres, approximately 19½ acres completed.

Kowloon.—Tai Kok Tsui Reclamation, total area 54 acres approximately, of which 48 acres were reclaimed at the end of the year.

New Kowloon.—Sham Shui Po Reclamation comprising an area of 66 acres almost completed except for sea wall.

Kai Tack Reclamation, private enterprise, practically no work done during the year.

Kowloon Bay West Reclamation, satisfactory progress made, about 7¼ acres formed by the end of the year.

Kowloon Bay East Reclamation, 18½ acres, approximately 15¾ acres completed

New Territories.—Further reclamation work undertaken by the Standard Oil Co., in progress.

PIERS.

Hong Kong.—Work on the contract for overhauling and repairing Blake Pier was commenced towards the end of the year.

MISCELLANEOUS.

Fair progress was made with the levelling of the Kowloon Tong Development Scheme Areas, approximately 13 acres being handed over to the Company during the year.

The total amount expended on Public Works Extraordinary was $4,720,000.19 and on annually recurrent works $1,822,816.80.

RAILWAY.

The Water Tank and Tower at Kowloon was completed. The old tank together with the wooden coal ramp was dismantled and the existing water column connected by a 6 inch pipe to the new tank. The base of the tower was covered with a cement concrete floor.

A contract for the Extension to Platform Awnings, Kowloon was let in October of last year. Owing to the softness of the column foundations, hardwood piles had to be substituted for the usual China fir piles. Apart from this, the construction was exactly similar to the existing portion. Considerable delay was experienced in completing this work owing to the Asbestos Corrugated Sheets arriving in a badly damaged condition. Approximately only 50% were intact and fresh sheeting was obtained through a local firm. This arrived in good order and the work was completed before the end of the year.

2,200 feet of Cement Concrete Channels were laid in No. 1 Cutting. A good deal of rock cutting was involved.

At Taipo Station a considerable amount of work was carried out. All drains at or near the station have been attended to with a view to preventing as far as possible mosquito breeding areas within the Railway boundaries.

A portion of the existing channel in Gills Cutting was taken up and relaid.

A further 3 bays of the Running Shed roof were stripped and replaced with Asbestos Corrugated Sheeting. Only 2 bays now remain to be done.

The brick arches formerly partitioning the old and extended portions of Running Shed No. 2 were dismantled in order to give more room for overhauling locomotives. The glazing in the roof of the Machine and Erecting Shops was painted green in an endeavour to lower the temperature of these shops which is very oppressive during the summer months.

A new butt end loading ramp for vehicles was constructed at the siding near the Railway Pier, Kowloon Station.

The Sea Wall in front of Kowloon Station was grouted with cement mortar.

The shafts on both sides of Beacon Hill Tunnel were found hollowed out on the top. They were filled in, and turfed and channels constructed around them.

Attempts were made to lessen the water leakage inside the tunnel.

The painting of Bridge No. 49 was completed without trouble. This work was held up in 1925 owing to interference by Strike Pickets. Small repairs were carried out to the abutments of Bridges Nos. 25 and 33.

In view of a number of derailments at points No. 48 of Kowloon Station, an emergency crossover was laid near the half mile post.

The storm which visited Hong Kong in early morning of July 19th when nearly 20 inches of rain fell in eight hours, caused very little damage to the Railway considering the heavy rainfall.

Slips occurred in No. 1 Cutting, North Face of No. 2 Tunnel and Lowu, also at Wo Hang and Ma Mei Ha on the Fanling Branch Line. Although the amount of soil in No. 1 Cutting was about 1,000 tons it was cleared with little interruption of traffic.

Other damage consisted of a wash-out near the Sea Wall opposite the block station at Hung Hom. The pitched slope to Railway Bank was damaged at Miles 10½, 11½ and 12½ respectively. The inverts of some bridges were washed out and there was slight damage to the Engine Sheds at Fanling and Shataukok.

In anticipation of heavy traffic during Fanling Hunt Race Meetings, the approach road to Fanling Station was widened for parking purposes. The level crossing for the main road between Fanling and Taipo was timbered and extended to allow for the turn of motor vehicles proceeding down the road to Shataukok.

The conditions obtaining on the Railway as a whole during the year have shown a very appreciable improvement over those of the previous year. Nevertheless the train services have been subjected to frequent interruptions and late running, over which this Section had no control.

Early in the year the through train services were resumed consisting of a third class slow train in each direction daily. The locomotives and stock of the Chinese Section were in such a bad state of repair that the trains could not run to time and on some occasions the passengers had to remain at the border over-night, coming forward the following morning.

It was felt that this slow through service imposed a distinct hardship on the passengers and it was therefore decided to run the one train each way as a fast train over the Chinese Section with corresponding fast trains on this Section to connect. They were discontinued on October 25th when the time-table was revised and it is found possible to put on an express train and a slow train to and from Canton daily.

On July 22nd all morning trains were cancelled due to a typhoon in close proximity to the Colony.

The Railway Division of St. John's Ambulance Brigade continued to render excellent service. Mr. I. B. Trevor, Traffic Assistant, was appointed Ambulance Officer as from 16th November 1926.

The Division again won the "Holyoak" Attendance Cup.

During the year depreciation on rolling stock has been calculated, the rate taken being the scale laid down in the classification of expenditure prescribed by the Ministry of Communications, Peking.

The depreciation charges in respect of the years prior to 1926, is debited to Delayed Operating Debits in the Profit and Loss Account, and $79,544.36 representing depreciation for the current year is included in the operating expenses, Maintenance of Equipment, under the usual sub-heads. The amount to the credit of depreciation Reserves at the close of the year was $686,042.65.

The Local passenger receipts amounted to $427,230.22 as against $332,268.31 for the previous year, and the goods receipts were $25,861.33 or $4,098.69 more than the previous year. The Through and Joint Sectional Traffic receipts were $32,291.91 as compared with $17,562.38 for the year 1925.

The Fanling Branch Line was closed on January 11th until the 3rd of May. The receipts were $8,241.86 or $3,739.73 less than the previous year.

Through and Joint Sectional passengers carried were as follows:—

	1924.	*1925.*	*1926.*
Passengers booked at Stations in British Territory to Stations in China including Lowu	168,734	16,224*	18,031*
Passengers booked at Stations in China including Lowu to Stations in British Territory	157,115	16,316*	17,609*

The Local Passengers carried were as follows:—

	1924.	*1925.*	*1926.*
Main Line	1,177,234	1,083,821	1,151,780
Fanling Branch Line	82,505	58,419	48,451

* Lowu bookings not included as formerly.

VI.—GOVERNMENT AND AIDED INSTITUTIONS.

(a)—HOSPITALS.

Government Hospitals consist of the Civil Hospital, to which is attached an isolated Maternity Hospital, the Victoria Hospital for Women and Children, Kowloon Hospital and the Kennedy Town Infectious Diseases Hospital.

The Civil Hospital contains 198 beds in 25 wards. 5,281 in-patients and 16,969 out-patients were treated during 1926 as against 5,774 and 30,889 respectively in 1925. 665 cases of malarial fever were admitted as against 1,140 in 1925 and 1,620 in 1924. The total cases of malaria for all Government Hospitals and the Tung Wa Hospital shows a decrease of 293 cases as compared with the year 1925. The Maternity Hospital contains 9 beds for Europeans, plus 3 extra beds, and 8 for Asiatics. 626 confinements occurred during the year as against 668 in 1925. The Victoria Hospital at the Peak contains 90 beds, and during 1926, 267 patients were under treatment there. At Kennedy Town Hospital, which contains 26 beds, 13 cases were treated in 1926, being infectious. The Kowloon Hospital contains 48 beds, and during 1926, 894 patients were treated.

(b)—LUNATIC ASYLUM.

The Asylum is under the direction of the Medical Officer in Charge of the Civil Hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds. 290 patients of all races were treated during 1926 and there was 16 deaths.

(c)—THE TUNG WA AND OTHER CHINESE HOSPITALS.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies; Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation. It is under the supervision of a visiting physician, who is a member of the Medical Department, whilst two Chinese house surgeons, trained in Western medicine, are members of the hospital staff. There are 680 beds in the buildings, and 7,951 patients were accommodated during 1926.

The Tung Wa also maintain a branch hospital for small-pox cases (Chinese only) at Kennedy Town. It contains 70 beds and during 1926, 23 cases were treated.

The Kwong Wa Hospital for Chinese in the Kowloon Peninsula was opened on the 9th October, 1911. It occupies a site having an area of three acres and provides accommodation for 226 patients. The existing buildings contain 226 beds and 6,336 patients were accommodated during 1926. The collection of subscriptions and the supervision of the building were undertaken by a special committee under the chairmanship of the Secretary for Chinese Affairs. The hospital received a grant of $33,500 in 1926 from the Government.

VII.—INSTITUTIONS NOT SUPPORTED BY GOVERNMENT.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than twelve directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1926 the number of persons admitted was 299 and at the close of the year 45 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The total cost of maintenance was $77,375 for the year 1925. The Government makes an annual grant of $12,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

VIII.—CRIMINAL AND POLICE.

The total of all cases reported to the Police was 20,048 being an increase of 3,265 or 8·3 per cent as compared with 1925. There was in 1926 an increase in serious offences of 599 or 15·8 per cent as compared with the previous year. The number of serious offences reported was 185 above the average of the quinquennial period commencing with the year 1922. The number of minor offences reported shows an increase of 2,666 as compared with 1925 and was 3,355 over the average of the quinquennial period.

The total strength of the Police Force in 1926 was Europeans 246, Indians 572, Chinese 946 making a total of 1,764 exclusive of the eight superior officers and staff of clerks and coolies. These figures include police paid for by the Railway and other Government departments. Of this force 16 Europeans, 79 Indians, and 98 Chinese were stationed in the New Territories during the year.

The District Watchmen Force, numbering 122, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol. A detective branch of the force has done useful work under the supervision of a European Inspector.

The total number of persons committed to Victoria Gaol was 6,511 as compared with 6,239 in 1925. Of these 1,154 were committed for criminal offences against 613 in 1925. Of committals for non-criminal offences there were 106 less for hawking without a licence, and 2 more for unlawfully cutting trees, than in 1925.

The daily average of prisoners confined in the Gaol was 1,054 the average for 1925 being 1,116, and the highest previous average being 1,036 in 1924. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0·13. The average percentage for the last ten years was 0·13. Owing, however, to the large floating population, which is constantly moving between the Colony and Chinese Territory, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 450 prisoners in association.

The prison discipline was satisfactory, the average of punishments per prisoner being 0.49 as compared with 0.71 in 1925 and 0.43 in 1924.

Long sentence prisoners serving two years and upwards are taught useful trades, including printing, book-binding, tin-smithing, mat-making, tailoring, carpentering, etc. The profit on the work done was $148,667.80 as against $122,221.20 in 1925. A sum of $4,029 was received and credited to Government for non-Government work as against $3,758 in 1925.

IX.—VITAL STATISTICS.

(*a*.)—POPULATION.

The civil population of the Colony, according to the census taken on April 24th, 1921, was 625,166, of whom 83,163 reside in the New Territories and in New Kowloon; at the census taken in 1911 it was 456,739 with 104,287 as the figure for the New Territories and New Kowloon. The estimated total population at the middle of the year under review was 874,420, but this includes the New Territories; and, as the birth and death figures given below do not include those from this area (with the exception of New Kowloon), the population for the purposes of calculating these rates is estimated at 786,920, of whom 16,500 were non-Chinese.

The distribution of population estimated to the middle of 1925 was as follows:—

Non-Chinese Civil Community,...			16,500
Chinese Population.	City of Victoria (including Peak),...	465,000	
	Villages of Hong Kong,...	33,040	
	Kowloon (including New Kowloon),	200,000	
	New Territories,	87,500	
	Population afloat,	72,380	
Total Chinese Population,...			857,920
Total Civil Population,			874,420

(*b*.)—PUBLIC HEALTH AND SANITATION.

The birth-rate for the year was 4·18* per 1,000 among the Chinese community and 19·0 per 1,000 among the non-Chinese community, as compared with 4·16 and 19·0 for 1925.

The death-rate for the year was 16·01 per 1,000 among the Chinese community and 10·2 among the non-Chinese civil community, as compared with 19·12 and 14·6 for 1925.

The deaths from Malaria numbered 587 (702 in 1925). The deaths of Chinese from this cause in the City of Victoria numbered 161 out of a population of 465,000 or a rate of 0·34 per 1,000 per annum.

The deaths from Plague numbered nil. The last deaths from Plague occurred in 1923.

Small-pox deaths numbered 26 of which 25 were Chinese.

---

* This figure is wholly misleading as it is impossible to register more than a portion of the births.

There were 3,567 deaths from respiratory diseases other than Pulmonary Tuberculosis as compared with 4,290 in 1925, and 25 of these were among the Non-Chinese community. Pulmonary Tuberculosis claimed 1,489 Chinese and 28 non-Chinese victims whilst other forms of Tuberculosis represent an additional 395 deaths making a total of 1,912 or 16·17 per cent. of the total deaths among the community.

Beri-beri was responsible for 1,192 deaths, as compared with 1,744 during 1925 and 1,502 in 1924.

A tabular statement of the principal causes of death is appended.

(c.)—CLIMATE.

The climate of Victoria is similar in its broad features to that of Kowloon and the New Territories, but at the higher levels, from 1,400 to 1,800 feet above sea level the temperature is on the average about 3° lower than at the Observatory, Kowloon, in the winter, and 8° lower in the summer. The humidity is usually greater than in Kowloon and approaches saturation for several days at a time during March and April when mist is very prevalent. In summer the city of Victoria, and the rising terraces behind it, derive little or no benefit from the SW monsoon, being sheltered by steep hills from SE to SW. In winter it is exposed to the NE monsoon, which occasionally blows along the harbour through Lyemun Pass with considerable violence. On the other hand the south-west side of the Island is protected from the NE monsoon in winter and enjoys the benefit of the SW monsoon in summer.

POSTAL AND TELEGRAPH SERVICES.

The total revenue from the postal service in 1926 amounted to $698,606.13 being $54,394.61 more than that collected in 1925. The net expenditure amounted to $263,775.04. The balance of revenue over expenditure amounted to $434,831.09.

The revenue collected in 1926 from radio-telegrams amounted to $67,201.39 being $13,141.30 less than that collected in 1925. Advices of vessels signalled at the lighthouses yielded $903.60, semaphore messages $28.30 and Wireless Receiving Stations $125.00, making a total of $68,258.29 for the telegraph service. The expenditure amounted to $61,926.86. The number of radio-telegrams forwarded during the year was 7,836 consisting of 81,010 words, and 13,725 were received consisting of 156,128 words.

W. T. SOUTHORN,
Colonial Secretary.

30th August, 1927.

Table I.—DEATHS REGISTERED IN THE COL

		Scarlet Fever.	Blackwater Fever.	Relapsing Fever.	Typhus Fever.	Yellow Fever.	Rabies (Hydrophobia.)	Dengue Fever.	Paratyphoid Fever.	Influenza.	Small-pox.	Measles.	Typhoid Fever.	Diphtheria.	Cerebro-spinal Meningitis.	Dysentery.	Plague.	Malarial Fever.
British and Foreign Community,	Civil,	...	...	...	...	...	1	...	...	5	1	...	2	...	1	1	...	4
Chinese Community,	Victoria and Peak,	...	...	...	...	...	9	...	...	14	13	...	93	19	7	92	...	172
	Harbour,	...	..	...	...	...	...	...	...	2	3	...	10	3	1	7	...	19
	Kowloon,	...	...	...	...	...	...	...	...	12	8	1	11	7	1	72	...	294
	Shaukiwan, Land	...	...	...	...	...	...	...	..	...	1	...	4	...	...	6	...	25
	Shaukiwan, Boat	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2
	Aberdeen, Land	...	...	...	...	...	...	...	...	...	...	...	1	1	...	1	...	32
	Aberdeen, Boat	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	37
	Stanley, Land	...	...	...	...	...	...	...	...	...	...	..	...	...	...	...	...	2
	Stanley, Boat	...	..	...	...	...	...	...	...	...	.	...	...	...	...	...	...	...
Total, 1926,		..	...	...	...	...	10	...	...	33	26	1	121	30	10	179	...	587
„ 1925,		...	...	...	...	...	3	...	...	45	41	3	91	38	57	331	...	702

NY OF HONG KONG DURING 1926.

	Puerperal Fever.	Septic Infections.	Syphilis.	Poisoning.	Injuries.	Developmental Diseases.	Old Age.	General Tuberculosis.	Beri-beri.	Cancer.	Paralysis and Convulsions.	Heart Diseases.	Pneumonia.	Phthisis & Pulmonary Tuberculosis.	Enteritis and Gastro-Enteritis.	Cirrhosis of Liver.	Peritonitis.	Nephritis.	Other causes.	Unknown.	All causes.
..	...	1	3	2	15	6	5	2	...	4	...	10	16	28	4	...	2	9	56	2	180
.	5	10	168	59	133	214	141	110	570	67	82	112	1,331	994	527	26	14	211	2277	61	7,531
1	...	1	7	2	31	10	76	9	45	4	2	1	56	48	22	2	3	14	54	51	484
.	...	12	54	7	43	14	151	76	419	34	18	52	830	359	449	4	9	178	417	74	3,606
.	...	...	5	3	3	15	46	3	75	...	...	...	34	12	11	...	...	9	68	8	328
.	...	...	...	...	1	...	39	...	29	...	...	...	...	2	...	...	...	...	26	...	99
.	...	...	...	...	2	...	10	...	26	2	3	1	6	30	1	1	...	3	5	...	125
.	...	...	...	...	...	...	36	...	28	...	...	...	...	43	...	...	...	...	...	3	147
.	...	...	...	...	...	...	...	...	...	...	...	...	...	1	1	...	...	1	6	5	16
.	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1	5	24	237	73	228	259	504	200	1192	111	105	176	2,273	1517	1015	33	28	425	2909	204	12,516
2	3	56	376	74	366	293	577	253	1744	116	110	202	2,878	1831	1080	35	28	433	2931	292	14,991

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HONG KONG

REPORT FOR 1927.

(For Report for 1925 see No. 1324 (Price 1s. 6d.) and for Report for 1926 see No. 1356 (Price 1s. 3d.).)

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History and Geography.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nankin in August, 1842, and the charter bears the date of 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 square miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration (*see* XIII Miscellaneous).

The estimated population is as follows:—

Non-Chinese	16,500
Chinese	961,400
TOTAL	977,900

Of the Non-Chinese population it was estimated at the census of 1921 that the number of British nationals of European origin was about 4,300. There has probably been a slight increase in this number in the intervening period.

The rainfall for 1926 was 100.78 inches, and for 1927, 107.86 inches. In 1926 the mean temperature was 71° 6′ and in 1927, 71° 4′, the mean minimum temperature during the latter year ranging from 78° 7′ in June to 55° 2′ in February and the mean maximum temperature from 87° 5′ in August to 62° 2′ in February. Typhoons are prevalent during the months July to October.

The currency of Hong Kong consists of the following coins (vide Order in Council, 2nd February, 1895):—

1. The silver dollar of Mexico.
2. British dollar.
3. The Hong Kong dollar, half-dollar, and 20 cent, 10 cent, and 5 cent pieces, issued from the Hong Kong Mint. (1866-68).
4. Half-dollars, 20, 10, and 5 cent pieces, imported from England, and coined at the Royal Mint and Birmingham Mint.
5. Copper coins representing one-hundredth part of the dollar (called one cent), and one-thousandth part of the dollar (mil or cash), imported from England.

Local weights and measures are the following:—

1 tael = 1.1⅓ oz.;

1 picul = 133.1/3rd lbs. (avoirdupois)

7½ catties = 1 imperial gallon;

I.—General.

The year 1927 was one of slow but steady recovery in the financial and commercial position of the Colony, though the volume of business still remained below the level of 1925. In introducing the Budget in September His Excellency the Governor stated that careful scrutiny of expenditure was still absolutely necessary, and that in financial matters the "Coat must be cut according to the cloth". His Excellency took this opportunity to review the developments of the Colony during the past 30 years, and stated that "the achievement of Hong Kong in financing its amazing developments during the past 30 years by means of its annual revenue and without recourse to borrowing is unequalled in any part of the British Empire". In order to assist future development, His Excellency announced the forthcoming issue of a public works loan at 6% at par.

2. One of the most striking events of the year was the arrival of the units of the Shanghai Defence Force, and of the naval reinforcements, especially the First Cruiser Squadron. Many of these additional forces were stationed in Hong Kong. The local accommodation was taxed to the uttermost. A number of buildings had to be commandeered for billeting and for hospitals. Among these buildings were the Peninsula Hotel, King's College and the Diocesan Boys School. In addition a large hutment camp was erected on the reclamation at Shamshuipo. Strenuous efforts, partly under the auspices of the Y.M.C.A., and partly by individuals, were made to provide for the recreation and entertainment of the troops. A number of canteens was opened, and concert parties arranged. Special recognition should be accorded to the hard work done by the voluntary helpers during the trying weather of the summer months.

3. Piracies during the year were a source of continual trouble. The execution of 8 pirates who had been captured on the s.s. "Sunning" at the end of 1926, appeared to have little deterrent effect on the Bias Bay pirates. After the piracy of the British steamer "Hop Sang", at the end of March, a naval raid was conducted on the pirate stronghold in Bias Bay. Two villages where pirates were known to live were destroyed, and the whole operations were carried out without loss of life, either to the inhabitants or to the raiding parties. These operations caused a lull in piracies for a period of four months, when the piracies of the Norwegian steamer "Solviken", and of the British steamer "Yat Shing", led to a further naval raid on Bias Bay. Simultaneously the British steamer "Kochow" was pirated on the West River, and naval operations were carried out at the town of Tai Ping-hui, where pirates were known to live. Since that date there has been a marked diminution in piratical attacks on British vessels. However, in November the Chinese steamer "Irene" was intercepted in Bias Bay, when in the possession of pirates, by the British Submarine L.4. The vessel was only brought to after a shot had been fired into its engine room, and although a few persons some of who were presumed to be pirates lost their lives the passengers and crew were almost all saved. Seven men were brought to trial in connection with this piracy and executed. New piracy regulations, designed to abolish the system of locked grilles, are under consideration.

4. The uncertain situation in Canton caused anxiety in the Colony early in the year. For a time there was some possibility of a recurrence of the strike and boycott of 1925, but by the proscription of the Seamen's Union and by the prevention of seditious meetings this danger was averted. A more settled Government in Canton led to a gradual improvement in its relations with this Colony. There was however a continual influx of refugees and other persons into the Colony, and the disbanding in Canton of the Hong Kong strikers caused many bad characters to make their way to Hong Kong. A series of armed robberies occurred during the autumn, culminating in December in a street battle between the police and a gang of armed robbers, in which two Chinese constables were shot and three robbers either killed or wounded.

5. On August 20th, the Colony was visited by a severe typhoon, which lasted for the unusually long period of 12 hours. Much damage was caused on shore, especially in the Peak district, where one block of flats collapsed and a number of flats and houses were severely damaged. The P. & O. steamer "Rawalpindi" dragged her moorings, and for a time was in danger of being dashed on the Praya Wall. This catastrophe was happily averted.

6. The honours conferred on residents of Hong Kong by H.M. the King during the year included the appointment of Sir Joseph Kemp as Knight Bachelor and of Mr. W. T. Southorn and Dr. R. H. Kotewall as Campanions of the Order of St. Michael and St. George. Among the visitors to the Colony during the year mention should be made of the Bishop of London, who was present at the New Year and whose addresses were received with much enthusiasm by the local religious community. In September the two American aviators Messrs. Brock and Schee and their aeroplane "Pride of Detroit" visited Hong Kong and made a short stay on their flight round the world.

II.—Finance.

The total revenue of the year amounted to $21,344,536 which sum exceeded the estimate by $337,139, and the revenue for 1926 by $212,954. This increase was chiefly under the headings Licences and Internal Revenue and it more than set off the deficit in stamp and liquor duties and in the revenue from land sales. A noteworthy item was the increase of $107,184 in the passenger service (foreign line) of the Kowloon-Canton Railway due to the reopening of through traffic with Canton. This increase more than counterbalances the decrease in passenger receipts on the home line. Two unusual items contributed to the excess of revenue over expenditure. The first was the transfer of accumulated interest to the amount of $146,450 on the money deposited in London towards the cost of the Singapore base. The second was the transfer to revenue of the surplus of the local War Loan Sinking Fund amounting to $158,134 following on the repayment of the loan at the end of the year.

2. The expenditure for the year amounted to $20,845,065 which was less than estimated by $1,469,637 and less than expenditure in 1926 by $2,679,651. The principal item on which savings were effected was Public Works Extraordinary. Owing to the general policy of retrenchment and to lapsing salaries in the Public Works Department it was found possible to effect a saving under these two headings, of over $900,000. A very substantial saving was effected by the repayment of the Local War Loan and the consequent saving of interest and Sinking Fund charges.

3. The following is a statement of Revenue and Expenditure for the last five years:—

Year.	*Revenue.*	*Expenditure.*
1923	$24,783,673	$21,571,905
1924	24,209,640	26,726,428
1925	23,244,365	28,266,817
1926	21,131,582	23,524,716
1927	21,344,536	20,845,065

4. *Public Debt.*—The local 6% War Loan of $3,000,000, due for repayment in November, 1928, was fully repaid during the year and the surplus in the Sinking Fund of $158,134 was transferred to revenue. In November the new 6% Public Works Loan at par was issued. $3,000,000 worth of bonds were allotted, but the applications actually received from the public amounted to nearly four times that sum. The inscribed Stock Loans of 1893 and 1906 due for repayment in 1943 amounted to £1,485,773 and the Sinking Fund at the end of the year was £587,205.

5. *The Trade Loan.*—This loan which was issued in 1926 to assist local merchants and others during the exceptional difficulties following on the strike and boycott was allocated to the extent of $15,624,588 representing a total of 278 loans. All loans were limited to a period of two years and although many of them were due for repayment at the end of last year it was considered that the financial situation had not sufficiently improved to justify their being called in. The position on 31st December, 1927 was that 164 loans, representing a total of $8,102,895, or rather more than half the total, were outstanding.

III.—Production.

FORESTRY, AGRICULTURE AND BOTANY.

Formation of Pine Tree plantations.—Increased areas were dealt with during the year. *Pinus Massoniana* sowings *in situ* amounted to 197,476. Suitable areas were broadcasted with 995 pounds of *Pinus Massoniana* and 129 pounds of *Leucaena glauca*, the latter being tried for the first time. Other experimental sowings were made with *Pinus insularis, Cunninghamia sinensis, Acacia pennata* and *Acacia confusa*.

Insect Pests.—Pine Tree Caterpillars (*Eutricha punctata*) appeared in the pine plantations in many parts of the Colony. June was a particularly bad month, weather conditions being ideal for the pests. The total amount collected and destroyed in all parts of the Colony was 14,637 pounds.

Protection from Fire.—Fires were again numerous but fortunately no serious damage was done to Government plantations. Little or no assistance in dealing with fires was given by village people living within short distances of the burnt areas. The usual clearing of fire barriers was carried out.

Agriculture.—A general exhibit of foreign vegetables was staged at the first New Territories Agricultural Show which was held at Sheung Shui on November 7th and 8th.

More interest is now displayed in the cultivation of both foreign and native vegetables for local consumption, this is chiefly due to increased motor transport and the communication between the Hong Kong markets and the New Territories villages, which was established during the labour troubles and consequent shortage of fresh vegetables during 1925.

Inspection of Nursery Stock.—Eleven consignments of bulbs of *Narcissus Tazetta* were inspected during the year, of these four consignments totalling 57,106 bulbs were exported to the United States of America and Honolulu; seven consignments totalling 177,810 bulbs were exported to Britain and British Colonies.

Small consignments of fruits, dried legumes and vegetables were inspected before being exported to the Philippine Islands by local firms.

Seed Collection.—Seeds of the following were collected for local use and for the purpose of exchange:—*Casuarina equisetifolia, Cuninghamia sinensis, Glyptostrobus heterophyllus, Leucaena glauca, Bauhinia variegata, Cassia fistula, Tristania conferta, Sterculia lanceolata, Ficus retusa, Callistemon lanceolata, Garcinia oblongifolia, Melia Azedarach, Callistemon rigidus, Cinnamomum Camphora, Poinciana regia, Aleurites Fordii, Aleurites montana, Aleurites triloba, Acacia pennata* and *Pinus Massoniana*.

FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

MINING.

The mineral resources of the Colony are small and little mining was done in 1927.

MANUFACTURES.

Sugar.—The higher prices of Raw and Refined that prevailed towards the close of 1926 were not maintained. A break commenced early in 1927 and prices continued to fall practically throughout the year closing at the end of December about the lowest. The reason for this market weakness was principally disappointing consumption both in United States of America and United Kingdom and invisible supplies of sugars in excess of expectations while the reduction in Cuban output to 4,000,000 tons against 4.500,000 tons for 1926 was offset by a European Beet Crop of 8,100,000 tons for 1927-28 against 6,860,000 tions for 1926-27.

Rope Making.—The demand for Manila cordage for 1927 was restricted owing to the depression in Shipping and the political trouble in China.

SHIPBUILDING.

Six ocean-going vessels were built in 1927, the largest being of 562 gross tons; one river vessel of 1,068 gross tons and some twenty launches, motor boats and lighters were also built.

IV.—Trade and Economics.

Trade suffered throughout the year from the disturbed condition of China but the establishment in Canton of a more settled Government and the restoration of friendly relations between Canton and Hong Kong brought about a marked improvement at the close of 1927 warranting confidence in the speedy disappearance of the effects of the strike and boycott of 1925.

The following figures, taken from returns for 1924 (the last available), show the principal countries with which trade is carried on:—

	Imported from	*Exported to*
	£	£
United Kingdom	9,450,000	744,000
Germany	1,835,000	132,000
Belgium	696,000	19,000
Holland	326,000	107,000
France	319,000	79,000
Italy	259,000	6,000
Sweden	173,000	2,000
Other European Countries	189,000	16,000
United States of America	5,915,000	2,489,000
Cuba, Central & S. America	169,000	933,000
Japan, Korea & Formosa	9,127,000	3,523,000
Australia	1,042,000	428,000
Canada	733,000	410,000
New Zealand	54,000	62,000
Foreign Countries Miscellaneous	195,000	38,000
	£30,482,000	£8,988,000

The Scale of Hong Kong's trade with neighbouring countries is indicated by the following figures, also taken from the statistics for 1924:—

	Imported from	*Exported to*
	£	£
India	1,998,000	805,000
Ceylon	21,000	133,000
Burmah	1,051,000	224,000
Straits Settlements & F.M.S.	1,692,000	2,893,000
British North Borneo	277,000	129,000
China	*25,974,000	39,738,000
Netherlands East Indies	9,457,000	1,054,000
French Indo-China	10,994,000	5,135,000
Siam	6,262,000	2,530,000
Philippine Islands	654,000	1,719,000
Total	58,380,000	54,360,000

Hong Kong's own consumption and production of commodities is comparatively small; one of its main functions is to act as an entrepot and clearing house for the products of South China and for the world's manufactured goods passing into South China.

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*This figure is obtained from the Chinese Maritime Customs Returns.

However, owing to the fact that no duties are levied upon commodities, except liquors and tobacco, whereas China levies import and export duties upon all commodities, the tendency has been for a number of manufacturing processes to be established in the Colony, *e.g.*, sugar and tin refining, cement making and ginger preserving; there are also several factories weaving cotton manufactured goods, and hundreds of native workshops manufacturing rattan ware and similar products.

Much of the voluminous trade with neighbouring countries comprises purely Chinese commodities and is carried on by Chinese firms in Hong Kong with branches elsewhere. Trade with Europe, the Americas and Australasia is principally in the hands of British and foreign import and export firms who do business with the Chinese mercantile community established in Hong Kong, purchasing from them the products of China which have been assembled from the interior, and selling manufactured goods which pass on from wholesale to retail dealers and so to the small shopkeepers in the interior of of China. The lack of modern means of communication in China necessarily makes the process slow and difficult.

The Chinese written language is a great hindrance to direct dealings between Chinese traders and merchants and manufacturers in foreign countries; another obstacle is lack of confidence by shippers overseas—the product of many regrettable experiences. The substantial British and foreign firms in Hong Kong, with their branches in the Treaty Ports of China, serve a definitely useful purpose in acting as intermediaries between Chinese and overseas traders. Owing to the hindrances to commerce resulting from the language difficulty and the lack of education of the proprietors of native manufactories it would be impossible for firms abroad to do business direct. As a rule letters would not be answered, and, even if contact were established, there would be no means of ensuring deliveries in accordance with sample. It is in this matter, especially, that the foreign exporters protect the interests of buyers abroad. Enquiries as to the South China market should be addressed to the General Chamber of Commerce, Hong Kong.

V. Communications.

Shipping.

The total Shipping entering and clearing Ports in the Colony during the year 1927 amounted to 298,707 vessels of 44,127,161 tons which, compared with the figures for 1926, shows a decrease of 261,566 vessels entered and cleared and an increase of 330,725 tons.

Of the above 51,289 vessels of 36,834,014 tons were engaged in Foreign Trade as compared with 30,231 vessels of 28,371,104 tons in 1926.

There was an increase in British Ocean-going shipping of 460 ships of 403,023 tons entered and cleared.

Foreign Ocean-going vessels show an increase of 2,299 ships entered and cleared giving an increase of 3,982,445 tons.

These figures are affected by the stoppage due to vessels of the China Navigation Co. being laid up from 1st July 1927 to 7th September 1927.

British River Steamers show an increase of 3,273 ships and an increase of 1,826,653 tons.

Foreign River Steamers show an increase of 935 ships and an increase of 453,420 tons.

In steamships not exceeding 60 tons employed in Foreign Trade there is an increase of 5,064 ships entered and cleared giving an increase in tonnage of 146,044 tons.

Junks in Foreign Trade show an increase of 9,027 vessels entered and cleared giving an increase of 1,651,325 tons.

In the Local Trade a decrease is shown in the number and tonnage of steam launches due to the extension of the Harbour limits, which now include places for which statistics were formerly required.

A comparison between the years 1926 and 1927 is given in the following table:—

Class of Vessels	1926.		1927.		Increase.		Decrease.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going, ...	3,401	9,257,417	3,861	9,660,440	460	403,023	..	...
Foreign Ocean going, ...	4,468	12,057,279	6,767	16,039,724	2,299	3,982,445	...	...
British River Steamers, ...	4,276	5,473,429	7,549	7,300,082	3,273	1,826,653	...	...
Foreign River Steamers, ...	230	107,735	1,165	561,155	935	453,420	...	...
Steamships under 60 tons Foreign Trade...	2,829	87,330	7,893	233,374	5,064	146,044	...	...
Junks, Foreign Trade, ...	15,027	1,387,914	24,054	3,039,239	9,027	1,651,325	...	...
Total, Foreign Trade, ...	30,231	28,371,104	51,289	36,834,014	21,058	8,462,910	...	...
Steam Launches, Local Trade.........	499,824	13,950,141	219,555	5,771,970	..	...	280,869	8,178,174
Junks, Local Trade, ...	*30,218	*1,475,188	†27,863	†1,521,177	...	45,989	2,355	...
Grand Total...	560,273	43,796,436	298,707	44,127,161	21,058	8,508,899	282,624	8,178,174
					Net, ...	330,725	261,566	

* Including 16,294 Conservancy and Dust Boats of 736,688 tons.

† „ 15,358 „ „ „ „ of 993,280 „

In Local Trade (*i.e.* between places within the waters of the Colony) there is a decrease in entrances and clearances of steam launches of 280,269 which gives a decrease in tonnage of 8,178,174 tons.

Junks in Local Trade show a decrease of 2,355 vessels entered and cleared and an increase of 45,989 tons.

Of vessels of European construction, 5,316 ocean-going, 4,353 river steamers and 3,936 steamships not exceeding 60 tons entered during the year, giving a daily average of 37.3 ships as compared with 20.8 ships in 1926 and 28.9 ships in 1925.

Ocean-going steamers entered as follows:—

Flag.	Steamers.		No. of times entered.		Total Tonnage.	
	1926.	1927.	1926.	1927.	1926.	1927.
British, ...	339	346	1,686	5,702	4,597,357	8,466,960
Japanese, ...	207	264	755	1,109	2,236,359	2,927,207
U.S.A., ...	69	79	236	245	1,510,383	1,495,775
Chinese, ...	61	81	606	1,315	245,697	847,073
German, ...	34	43	90	151	373,318	487,160
Danish, ...	14	11	23	48	78,025	153,341
Dutch, ...	40	41	232	251	785,696	849,766
French, ...	31	32	108	216	445,567	629,144
Italian, ...	9	6	27	26	127,870	141,566
Panaman, ...	1	—	1	—	9,953	—
Norwegian, ...	47	61	111	472	152,641	657,005
Portuguese, ...	5	5	33	73	23,856	15,526
Russian, ...	1	—	1	—	241	—
Swedish, ...	7	9	12	30	46,180	103,182
Spanish, ...	3	—	8	—	19,236	—
Belgian, ...	1	—	1	—	3,181	—
Mexican, ...	—	1	—	1	—	1,183
Total.	869	997	3,930	*9,669	10,619,560	*16,774,788

* (River Steamers included.)

HONG KONG SHIPPING STATISTICS.

Year	Ships engaged in foreign trade cleared and entered.			Total shipping entered and cleared.	
	Number	Total Tonnage	Percentage of British Tonnage	British Tonnage	Total Tonnage
1897	9,944	12,124,599	67		
1898	11,058	13,252,733	66		
1899	10,905	13,437,147	65		
1900	10,940	14,022,167	65		
1901	10,807	14,599,141	53		
1902	12,461	16,275,998	59	9,571,787	21,333,566
1903	14,489	19,018,411	59	11,250,296	23,853,384
1904	16,976	19,333,096	70	13,406,094	24,648,258
1905	18,103	19,778,176	67		34,185,091
1906	16,397	19,833,666	61		32,747,268
1907	18,096	20,381,421	51.5	11,846,533	36,028,310
1908	19,604	20,104,795	58.6	14,903,106	34,615,241
1909	18,714	20,171,755	56.7	11,437,678	34,830,845
1910	17,557	20,966,504	57.8	12,112,019	36,534,361
1911	19,644	20,490,520	57.1	11,706,731	36,179,152
1912	21,010	21,614,995	56.1	11,977,714	36,735,149
1913	21,867	22,939,134	55.4	12,528,168	37,742,982
1914	23,740	22,069,879	56.9	12,312,404	36,756,951
1915	23,051	19,561,318	58.1	11,381,439	33,884,919
1916	23,303	19,106,690	50.3	10,995,794	36,381,457
1917	21,959	17,329,841	52.9	9,167,595	33,827,325
1918	19,997	13,982,966	51.9	7,072,021	29,518,189
1919	21,275	18,474,996	54.6	10,095,805	35,615,169
1920	21,498	21,576,139	53.8	11,608,069	40,122,527
1921	24,697	24,360,880	52.4	12,766,492	43,420,970
1922	24,272	26,635,467	50.3	13,420,118	46,566,764
1923	25,347	32,382,530	50.2	16,920,491	53,402,239
1924	57,765	38,770,499	47.4	18,369,413	56,731,077
1925	40,705	31,941,703	48.5	15,321,935	49,520,523
1926	15,204	26,983,190	54.2	14,730,846	43,796,436
1927	27,235	33,794,775	50.2	16,960,522	44,127,161

KOWLOON-CANTON RAILWAY.

1. The principal item of interest was the introduction in June of an arrangement entered into with the Administration of the Chinese Section whereby British Section engines hauled the two express trains daily each way for the whole distance between Kowloon and Canton, 111 miles of which 89 are through Chinese Territory.

2. This arrangement proved very satisfactory to both Sections of the Railway as well as to the travelling public. Strict attention was paid to punctuality, comfort and the safety of the trains and passengers through the disturbed areas traversed by the line in Chinese Territory, with very gratifying results.

3. General revenues showed a distinct and steady increase from July onwards, and in November reached nearly $75,000, the highest monthly figure by far since February 1922 during the period of the Seamen's Strike.

4. Working expenses exceeded revenues by the narrow margin of $2,344.56, a very striking improvement on the working of previous years.

5. Liabilities under Capital increased by $27,599.96, as against $237,993.40 in 1926 making a total of $20,540,037.40, and the deficit increased by $483,159.32 as against $514,931.93 in 1926. The accumulated deficit stood at $6,510,538.95 on December 31st.

6. The chief addition chargeable to Capital account, involving $24,739.46 was in connection with the building of new offices for the Chief Mechanical Engineer, at the locomotive yard at Hung Hom.

7. The Improvements at Taipo Market Station, estimated to cost $25,000, were delayed and only $2,860.50 spent on account.

8. New Works chargeable to Revenue were of a minor nature.

9. Typhoon and Rainstorm Damages amounted to $4,343.81.

10. Permanent Way and Structures were maintained to the usual standard of efficiency, likewise all locomotives, motor coaches and rolling stock.

11. The Workshops were kept exceptionally busy, owing to extra work in connection with the train haulage to Canton, in addition to a heavy round of overhauls and painting.

12. Arrangements having been made with the Chinese Section for the British Section to recondition a large number of their goods stock, extra gangs were engaged at the Workshops and started on this work in October.

13. The transport of troops and equipment in connection with units of the Shanghai Defence Force in the early part of the year, added to that for an abnormal camping season later, resulted in exceptional use of rolling stock and increased revenue from military sources.

14. A heavier train service generally, was run during most of the year, the train mileage amounting to 224,764 or 79,843 miles more than in 1926, which however includes the trains running over Chinese Territory to Canton.

15. A new Railway Ordinance No. 28 of 1927 revising the Ordinance No. 21 of 1909, came into force in December.

INTERNAL COMMUNICATIONS.

As the life of Hong Kong centres round the harbour its internal communications are largely by water. Regular ferry services cross the harbour in various directions, and in addition there is a large fleet of launches owned by commercial firms, and numerous motor-boats, sampans, etc. plying for hire between the shore and vessels in the stream.

On the island there is an electric tram service, the lines running along the south side of the harbour for practically the whole length of the island; the steepness and proximity of the hills renders any lateral development of this system impossible.

There is also a funicular tramway running from the lower levels up to the residential area on the Peak, the upper terminus being at a level of 1,300 feet.

There is a plentiful supply of rickshaws and sedan-chairs, and a large number of motor cars which ply for public hire. Taxicabs have recently been reintroduced.

There are excellent motor roads round the island and to the Peak, and also round the New Territories. No large extensions were made in 1927. (See Public Works).

POST OFFICE.

Mails.—The number of mail receptacles of Hong Kong origin dispatched during the year was 35,159 as compared with 31,863 in 1926—an increase of 3,296; the number received was 43,638 as compared with 38,262—an increase of 5,376.

Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 194,200 as against 186,806 in 1926—an increase of 7,394.

Registered Articles and Parcels.—The number of registered articles handled amounted to 833,177 as compared with 880,721 in 1926—a decrease of 47,544.

The figures for insured letters were 17,648 and 20,236 respectively—a decrease of 2,588.

The decrease in the number of insured letters was due to the fact that some countries are now forwarding insured letters direct to China in closed sacks.

Parcels, ordinary and insured, which were dealt with reached a total of 424,047 as against 555,345 in 1926—a decrease of 131,307.

WIRELESS.

A radio-telegraph station established at Cape D'Aguilar provides communication with vessels inter ports. The Kowloon Royal Observatory W/T Station, longitude 114° 10″ 18.7 E., latitude 22° 18″ 13.2 N., opened for meteorological traffic on 1st April, 1927. Call sign "G.O.W."

The revenue collected by the Post Office during the year from radiotelegrams amounted to $122,798.02, an increase of $55,596.63 on the amount collected in 1926.

The number of radiotelegrams forwarded during the year was 22,793 consisting of 209,171 words against 7,836 consisting of 81,000 words in 1926, and 26,326 were received consisting of 276,078 words as against 13,725 consisting of 156,128 words in 1926.

CABLES.

The Eastern Extension Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan & Cape St. James respectively, provide good connections with Europe *via* India, with Australasia, and with the other British Colonies and possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; and the system of the Great Northern Telegraph Co. gives a good service to Europe *via* Asiatic Russia.

TELEPHONES.

Telephonic communication, provided by the Hong Kong Telephone Co., is available to most parts of the Colony.

VI.—Justice, Police and Prisons.

Serious crime in 1927 showed an increase over that in 1926—4,553 cases against 3,713 in 1926. Minor crime also showed an increase—19,891 cases against 16,335 cases in 1926.

The increase in serious crime is accounted for almost entirely by increases under burglary and larceny. Throughout the year there was a large number of unemployed in the Colony, while the Police Force, owing to difficulty in obtaining recruits, was appreciably below establishment strength.

There were decreases of 10 and 9 cases in murder and robbery respectively.

There has been a very considerable increase in the population of the Colony during the year, due to a gradual steady return of people and interests that left Hong Kong in 1926. This flow was increased to a flood at two periods—one during the political upheaval in Canton in April, the other in November and December when political disturbances culminated in a Communist rising and burning of part of that city. During the latter phase it is estimated that at least 50,000 refugees came to Hong Kong. The Police countered the internal effect of these movements by diverting temporarily certain sections of Police from normal duty to search and surveillance of incoming passengers in which work the newly formed Police Reserve also participated. Special patrols have also assisted in keeping Hong Kong immune from abnormal crime waves which have been experienced in other ports. The Colony is also indebted to cordial co-operation throughout the year from the Police Authorities in Canton and Macao.

Piracy.—Two Naval expeditions, accompanied by a party of Hong Kong Police, were undertaken on March 23rd and September 1st each following the piracy of a British ship. Operations were confined to destroying the dwellings of pirates. No injury to persons occurred. Intelligence work became more successful The result was seen in the capture of the pirated vessel S.S "Irene" with the pirates on board on October 19th by H. M. Submarine L.4. 15 pirates from Bias Bay were executed in Hong Kong during 1927. There has been no piracy emanating from Bias Bay since the case of the s.s. "Irene".

A number of piracies on junks occurred during the year, in waters near Hong Kong. Piracy in the Canton River delta has increased.

The year was free from serious strikes or industrial trouble. Two events of importance took place:

(1) Proscription of the Hong Kong General Labour Union on 31st March.

(2) Proscription of the Chinese Seamen's Union on 26th May.

The closing of these two centres of sedition evoked no opposition; on the contrary the workers seem content to be rid of their domination. Small bands of agitators have attempted to cause mischief on a few occasions but they met with no success.

Constant touch has been maintained with the Shanghai Defence Force.

The only serious outrage occurred on the 7th December when a party of 4 Armed Robbers who had committed an armed robbery in the Western District were intercepted in the Central District by a Police Search Party. One of the robbers opened fire on the Police seriously wounding the European Sergeant in charge and a Chinese

Detective. One robber was shot dead and two were arrested, one of the latter, however, not until he had seriously wounded one Indian Constable, and one Chinese Constable who subsequently died of his wounds. He also shot dead another Chinese Constable who attempted to intercept him. The Court cases were still pending at the end of the year.

The year 1927 witnessed the formation of the Police Reserve on lines similar to the Police Reserve organised during the War. It consists of four Contingents, one European, one Indian, one Chinese and a mixed Motor Cycle Squad.

The District Watchmen Force, to which the Government contributes $2,000 per annum, was well supported by the Chinese during the year. These watchmen patrol the streets in the Chinese quarter of the City. They are placed on police beats and are supervised by the European police on section patrol. A detective branch of the force has done useful work under the supervision of a European Inspector.

At the end of the year the District Watch Force reached full strength consisting of 122 members. The number of convictions secured by members of the force was 606, a number far above any previous record, as compared with 467 in 1926. Particular attention was given to the activities of pick-pockets with gratifying results; 17% of convictions were of this class. Larceny cases made up 34% and unlawful possession added another 17%.

The total number of persons committed to Victoria Gaol was 7,740 as compared with 6,511 in 1926. Of these 1,740 were committed for criminal offences against 1,454 in 1926. Of committals for non-criminal offences there were 165 less for hawking without a licence, and 2 more for unlawfully cutting trees, than in 1926.

The daily average of prisoners confined in the Gaol was 1,189 the average for 1926 being 1,054 and the highest previous average being 1,116 in 1925. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter, was 0.136. The average percentage for the last ten years was 0.12. Owing, however, to the large floating population, which is constantly moving between the Colony and Chinese Territory, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 450 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 0.52 as compared with 0.49 in 1926 and 0.71 in 1925.

Prisoners are employed at printing, book-binding, tinsmithing, mat-making, tailoring, carpentering, soap-making, gardening etc. Practically all the Government printing and bookbinding is done in Victoria Gaol.

VII.—Public Works.

BUILDINGS.

During the year progress as stated was made on the following works:—

Hong Kong.—Work on the Ventris Road Quarters proceeded satisfactorily and the buildings were completed in August. A large garage at the Central Police Station was also erected during the year and work was commenced in July on a new Hospital for the Victoria Gaol.

Kowloon.—Minor works only were carried out during the year.

New Kowloon.—The principal work executed in this district was the erection and equipment of a large camp of wooden huts for the Military Authority. About 140 huts of varying sizes were built.

This work, which was of the greatest urgency was commenced on the first of March and the whole of the camp was completed and fully equipped with furniture, light, water, etc., in less than two months from its commencement.

New Territories.—Minor works only were carried out in this District.

The work of erection of Quarters for Cadets in Canton proceeded satisfactorily and the building was completed in the month of March.

COMMUNICATIONS.

Hong Kong.—The Contract for the road contouring Tai Hang Valley was closed owing to conditions prevailing in the Colony.

Road construction work in the Wongneichong Development area made slow progress owing to the non-fulfillment of building covenants by various lessees.

Kowloon.—The Formation of To Kwa Wan Road was completed but Argyle Street Extension was delayed owing to the contractor becoming financially embarrassed. Waterloo Road Extension made fair progress.

New Kowloon.—Waterloo Road Extension to the foothills made fair progress, the southern portion being prepared for surfacing.

Road to Dairy Farm Lots at Diamond Hill was practically completed by the end of the year.

New Territories.—The approaches and New Bridge at Tai Po were completed and opened to traffic before the end of the year.

DRAINAGE.

Hong Kong.—Considerable progress was made with the re-construction of Wong Nei Chong nullah, sections 1 and 2 being completed, and a start being made on section 3 (from Bowrington Canal to Chinese Race Stand) which was about half finished by the end of the year.

New sewers and storm water drains were laid to a length of 2,500 feet; and stream courses were trained to a length of 2,450 feet.

Good progress was made with the re-drainage of the area between the Praya and Queen's Road East, in connexion with the Praya East Reclamation scheme.

Kowloon.—The section of the large stormwater culvert in Tong Mi Road necessary for present requirements was completed.

A start was made after the rains with the large nullah in the New Cemeteries Area, Homuntin, and good progress made.

New sewers and storm water drains were constructed to the length of 9,030 feet.

Trenches were cut and swamps filled-in, in connexion with the anti-malaria campaign.

New Kowloon.—New sewers and storm water drains were constructed over the area generally to the length of 3,930 feet, and in the Kowloon Tong Estate to the length of 13,346 feet.

Anti-malarial work was continued, and nullah training carried out on the hillsides north of N.K.I.L.'s 420 and 362, Cheung Sha Wan.

New Territories.—Various works were carried out, of an anti-malaria nature, at Taipo and Taipo Market. Some small extensions were made to sewers, and additional gully connexions given.

WATER WORKS

Hong Kong.—The Western half of the Service Reservoir at the Eastern Filter Beds was completed and put into use while the covering of the Eastern half was nearly completed. Considerable work was done also in approach roads, sandwashing sites, banks etc.

The change from slow sand beds to fast gravity filter beds at Bowen Road was completed, and the new Paterson Rapid Gravity Filters were put into use in June and proved very satisfactory.

The new plant has been constructed inside one of the three old slow sand beds, and the other two beds have been roofed over and made into additional service reservoirs to feed the Kennedy Road District. Additional head has thereby been obtained for No. 4 Hydraulic Motor, which shows a large increase in output.

The leakage from Wongneichong Reservoir has been picked up below the dam and conveyed by means of a 2" dia. W.I. pipe to a small service reservoir on the hill behind Deep Water Bay. This supply is being utilized for supplying R.B.L. 245 and distribution pipes have been laid in the roads.

Considerable investigation work was carried out in connection with a proposed scheme for the development of the Aberdeen Valley.

Kowloon.—The following lengths of cast iron distribution mains were laid: 450 lin. feet of 3" dia. 870 lin. ft. of 4" dia., 8,110 lin. ft. of 6" dia., 1,750 lin. ft. of 8" dia. and 750 lin. ft. of 18" dia.

New Kowloon.—An additional length of 4,000 lin. ft. of 6" C.I. pipes was laid in the Kowloon Tong Development area.

New Territories.—Shing Mun Valley Scheme. A length of about eighty feet of the North Tunnel was straightened, and considerable lengths of pathways, copings and channelling were completed.

Pipe laying commenced in August and a total length of 3,230 lin. feet of 24" dia. steel main had been laid by the end of the year. The two reinforced concrete bridges over the Sheklaipui Stream were completed.

Construction of the Fast Gravity Filter Beds and Chemical House was commenced during the year and fair progress was made.

RECLAMATIONS.

Hong Kong.—Praya East, about 90 acres, of which about 75 acres were reclaimed at end of year.

North Point.—Private Scheme, 23½ acres, scheme almost completed.

Kowloon.—Taikoktsui, about 54 acres, of which about 52 were reclaimed by end of the year.

New Kowloon.—Shamshuipo Reclamation comprising an area of about 66 acres completed except for sea wall. No further work was carried out during the year.

Kai Tack Reclamation.—Originally a private enterprise, was resumed by Government early in the year. Approximate area 205 acres, about 40 acres were filled in during the year, making a total of about 160 acres of reclaimed land.

Kowloon Bay West Reclamation.—This work remained in abeyance practically throughout the year.

Kowloon Bay East Reclamation.—Practically no work done during the year.

New Territories.—Further Reclamation work was undertaken by the Standard Oil Co. and about 75% completed.

PIERS.

Hong Kong.—The extensive repair work on Blake Pier was satisfactorily completed.

Kowloon.—The Police Pier at Tsim Sha Tsui suffered considerable damage from typhoon seas during July. Repair work was well in hand by end of the year.

MISCELLANEOUS.

The total amount expended on Public Works Extraordinary was $2,966,390.69 and on annually recurrent works $1,542,494.98.

VIII.—Public Health.

The Birth rate for the year was 8.2 per 1000 among the Chinese community and 19.6 per 1000 among the Non-Chinese as compared with 4.18 and 19.21 in 1926. This is the highest Chinese birth rate ever recorded in the Colony. Birth statistics in Hong Kong are most misleading as registration is largely evaded by the Chinese especially as regards female children. Registration of Chinese births in 1927 shows increases of 104% as regards males and 153% as regards females over the figures for 1926; the population is estimated to have increased meanwhile by about 10% and it appears, therefore, that registration of births, especially of females, is being carried out to a greater degree than formerly.

The death rate for the year was 16.6 per 1000 among the Chinese community and 13.2 per 1000 among the Non-Chinese civil community, as compared with 16.01 and 10.9 in 1926. The ratio of deaths of infants to the total deaths registered was 31.6% (27.3% in 1926.

There were 4,239 deaths from respiratory diseases other than Tuberculosis as compared with 3,566 in 1926. Of these 34 were Non-Chinese (27 in 1926). Tubercular infections of the respiratory system caused 1,595 deaths in 1927 (1,517 in 1926) of which 31 were

Non-Chinese (28 in 1926). The total deaths from tubercular infections amounted to 14.38% (15.27 in 1926) of the total deaths registered.

The deaths from Malaria numbered 635 (587 in 1926). The deaths of Chinese from this cause in the City of Victoria numbered 260 (172 in 1926) in an estimated population of 500,000 giving a death rate of 0.52 per 1000 (0.38 in 1926).

The deaths from Beriberi, which were high in 1925 again showed a decrease, being 744 (1,192 in 1926 and 1,744 in 1925), or 5.04 of the total deaths recorded (9.5 in 1926 and 11.6 in 1925).

The incidence of notifiable infectious diseases was slight, the total number being 612 of which 72 were imported. Of the local cases 266 were Typhoid and Paratyphoid. For the fourth year in succession there were no cases of Plague. The last notification of plague was on 27th September 1923 while the last case of a plague infected rat was found on 17th September 1923. Systematic rat catching is carried out; 155,515 rats were sent to the Public mortuary for examination during 1927. None were plague infected. The routine work authorised under the bylaws for the Prevention of epidemic, endemic and contagious or infectious disease was carried out throughout the year. 87,612 floors were cleansed in Hong Kong and 48,754 in Kowloon; all premises were cleansed twice, some three times and a few four times. Systematic limewashing of all domestic premises within the areas prescribed, which are occupied by the members of more than one family, was similarly supervised as required by the bylaws on Domestic Cleanliness and Ventilation; 26,585 floors were limewashed in Hong Kong and 17,788 in Kowloon. To these two methods of ensuring a fair standard of cleanliness among the poorer classes of the community is largely owed the comparative immunity of Hong Kong from epidemic disease.

No cases of locally acquired cholera have been reported in the Colony since September 1922. There were 3 cases in 1927 all being imported.

There was a minor epidemic of smallpox during the early part of the year; the total number of cases notified being 149, of which 18 were imported. There were 126 deaths, all Chinese.

The incidence of Cerebro Spinal Fever during 1927 continued to be slight, there being 32 cases of which 2 were imported.

The total number of cases of Enteric and Paratyphoid Fevers during 1927 was 314 of which 7 were Paratyphoid. The cases of local origin amounted to 204 of Enteric and 4 of Paratyphoid among the Chinese community and 57 cases of Enteric and 1 of Paratyphoid among the Non-Chinese population. There were 28 Chinese and 12 Non-Chinese imported cases of Enteric and 5 Chinese and 1 Non-Chinese cases from the New Territory. There were 2 cases of Paratyphoid, 1 being imported and 1 from the New Territory.

The number of cases of Diphtheria was 87 of which 65 were Chinese and 22 Non-Chinese. Of these 2 Non-Chinese and 4 Chinese cases were imported.

There was one case of Hydrophobia, the victim being Non-Chinese. During the year 312 dogs were placed under observation on suspicion of being rabid and 11 carcases were sent direct to the Bacteriologist for examination. 34 dog brains were examined during the year; in 5 Negri bodies were present. These 5 cases were in Kowloon and New Territories; in Hong Kong Island it would appear as if the last outbreak was now over, as no positive case has been detected since December 1926.

GOVERNMENT HOSPITALS.

Civil Hospital.—This hospital consists of three blocks and contains 198 beds in 23 wards.

4,894 in-patients and 35,962 out patients were treated during 1927 as against 5,381 and 16,969 respectively in 1926.

Attached to the hospital is an isolated Maternity Hospital containing 20 beds. 686 patients were admitted during the year (626 in 1926). Since the opening of the Maternity Block at Victoria Hospital, this hospital has been mainly used for Asiatics.

Victoria Hospital.—This hospital is situated on the Peak and consists of a Main Block and a Maternity Block. The hospital was originally reserved for women and children but since the opening of the Maternity Block the accommodation in the main building was more than was required and in December it was decided to admit male patients also.

There are 38 beds in the main building to which 323 patients were admitted, and 33 in the Maternity Block to which 63 were admitted.

The Infectious Diseases Hospital is situated on the western outskirts of the city—it is used mainly for the treatment of Small-pox. The Hospital contains 26 beds to which 9 patients were admitted (13 in 1926).

Kowloon Hospital.—Situated on the mainland has 48 beds. 980 patients were treated in 1927 as compared with 894 in 1926.

TUNG WAH HOSPITAL (Government aided).

Number of beds	480
Number of patients treated in 1927	9,726
Number of patients treated in 1926	7,951

INFECTIOUS DISEASES BRANCH.

Number of beds	70
Number of patients treated in 1927	31
Number of patients treated in 1926	23

KWONG WAH HOSPITAL, KOWLOON, (Government aided).

Number of beds	226
Number of patients treated in 1927	7,593
Number of patients treated in 1926	6,336

The Hospitals are under the supervision of a Visiting Medical Officer who is a member of the Medical Department.

LUNATIC ASYLUM.

The Asylum is situated close to the Civil Hospital and is under the direction of the Medical Officer in charge of that hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 16 beds.

267 patients of all races were treated during 1927 and there were 18 deaths.

IX.—Education.

The total numbers of pupils at schools in the Colony, excluding the Police School, are:—

	Number of Pupils		Total
	English Schools	Vernacular Schools	
Government Schools	3,528	369	3,897
Military School	135	—	135
Excluded Private School	158	—	158
Grant Schools	3,911	1,051	4,962
Vernacular Schools, Urban District	—	30,622	30,622
Vernacular Schools, Rural District	—	5,375	5,375
Private English Schools	4,721	—	4,721
Technical Institute	620	—	620
Total	13,073	37,417	50,490

The chief Government Schools are Queen's College, King's College, and three District Schools for Chinese boys, the Belilios Public School for Chinese girls, the Vernacular Middle School and two Vernacular Normal Schools, and the Ellis Kadoorie School for Indians.

The Central British School and Kowloon Junior, Victoria, and Quarry Bay Schools for children of British parentage have an average attendance of 286. There is also a school for children of the Peak District with an average attendance of 49.

There are 5 Grant-in-Aid Anglo-Chinese Schools for boys and 6 for girls, and 4 Grant-in-Aid Vernacular School for girls.

The Hong Kong Technical Institute affords an opportunity for higher education of students who have left school. Instruction was given in 1927 in Building Construction, Field Surveying, Mathematics, Chemistry (Practical and Theoretical), Metallurgy, Physics, Electricity, French, Shorthand, Sanitation and Cookery. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from members of the medical and educational professions in the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The expenditure of the Education Department in 1927 was $1,091,423.21 and the revenue collected from Government School fees was $121,981.75.

THE UNIVERSITY OF HONG KONG.

The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

The late Sir Hormusjee Mody bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile. The latest addition to the buildings is a workshop built out of a contribution from Sir Robert Ho Tung.

The annual income of the University now amounts to about $514,000 of which about $315,000 comes from endowments and $50,000 from Government. Messrs. Butterfield and Swire gave $40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockefeller Institution has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000.

The expenditure for the year 1927 amounted to $507,887.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D., and M.S., may be obtained for postgraduate work. The degrees above mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure arts and science, social science, commerce and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to securing the maintenance of the desired standard —which is in all three faculties that of a British University degree— external examiners are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is granted, *honoris causa*.

The site of the University was given by the Government of Hong Kong. As subsequently enlarged by minor grants and by purchase, the University estate covers an area of 709,789 sq. ft. The view from the grounds over the harbour is magnificent and the grounds are naturally beautiful.

In the main buildings are housed the chemical and physical laboratories, the University library and portions of the engineering laboratories. They further include the Great Hall, a Senate room and the lecture and class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of anatomy, physiology, pathology and tropical medicine, erected at the cost of Chinese gentlemen resident in the Colony. Clinical instruction is given at the Government Civil Hospital.

Special engineering buildings include:—

(*a*) a power station, with internal combustion engines of varied types which are maintained for instructional purposes;

(*b*) a primemovers (steam) and hydraulics laboratory, at present housed in a converted pumping station, formerly the property of the Government; and

(*c*) A workshop, for practical instruction of students.

Electrical machinery, electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include:—

(*a*) the Vice-Chancellor's Lodge
(*b*) Staff-quarters
(*c*) the resident hostels, and
(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University or recognised hostel.

The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall.

Recognised hostels are at present two in number—Morrison Hall, situated immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual common rooms. Each University hostel is in charge of a member of the staff, as resident warden.

No University hostel at present exists for women students—whose right to admission to the University was first recognised in 1921; but some arrangements for the accommodation of a few women students in a rented building have been made by the authorities of St. Stephen's Girls' College, a Church of England girls' school which is near the University. The nuns of a neighbouring Italian convent are also prepared to house a few women students.

The tuition fee is $300—the hostel fee which includes board and lodging is $300. A student who is allowed to live in a hostel during a vacation—some have to because of their work, *e.g.* medical students, and others because their homes are too far away—pay at the rate of $8 a week. When a student joins he is required to deposit caution money to the extent of $25, and to pay a registration fee of $5. The annual subscription to the Unversity Union is $15 and this covers the annual subscription to practically all the athletic clubs. The graduation fee is $25. Probably about $1,200 represents the minimum amount which at present prices would cover a student's annual expenses including vacations. It would cost a Chinese student who goes abroad $2,500 a year at the very least and this would not cover travelling expenses.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government. There are also scholarships provided by the Governments of Hong Kong, of the Straits Settlements and Federated Malay States, of Kedah and Siam.

The Union is the centre of the social life of the students. It is at once a Club and a centre of athletics. The Union Committee contains certain memebrs of the University teaching staff, but its President and Secretary are undergraduates elected by the undergraduates. The undergraduate members of the Committee are also elected by their fellow students. There is a Union magazine with English and Chinese sections. The editors are students, a member of the teaching staff acting as assistant editor. There are twenty-one women students; these women students are all members of the Union.

Students of the University come from Kwangtung, Chihli, Hankow, Hupeh, Yunnan, Hunan, Shanghai. Pekin, Fukien, Singapore. Penang, Kuala Lumpur. Kedah. Jahore, Java, Manila, Burma, Siam, Japan, India and Macao. The present enrolment is 300 of whom 251 are Chinese and 49 non-Chinese.

X.—Lands and Surveys.

Land Grants and General Value of lanl.

1. (1) Sales of Crown Land and Pier rights (exclusive of the New Territories) during 1927 produced $107,633.63 a decrease of $144,897.32 on the preceding year, and $1,397,985.80 less than the average of the previous five years.

(2). Sales of Crown Land and Pier rights in the New Territories produced $32,741.21 an increase of $6,619.42 on the preceding year, and $213,330.91 less than the average of the previous five years.

(3). The average decrease is explained by the fact that the years 1922, 1923, and 1924 were boom years followed by a severe slump from which the Colony has not yet fully recovered.

2. The total area of land leased during the year was 454 Acres 3 Roods and 26-1/5 Poles being 931 Acres 3 Roods and 15 Poles less than in 1926.

3. (1). The total area resumed (including Re-entries and Surrenders) was 584 Acres and 2-4/5 Poles a decrease of 1481 Acres 2 Roods and 31-3/5 Poles on 1926.

(2). Non-fulfilment of Building Covenants (owing to financial depression) necessitated Re-entry on over 90 Acres in the Colony.

4. The Village development continues in the Northern District of the New Territories but there was little or no fresh development in semi-urban areas.

SURVEYS.

An Aerial Survey of the Colony was undertaken in 1924 and the ground work necessary to enable new maps of the Colony to be published was completed in 1927.

The Geological Survey of the Colony was continued by Dr. Brock, Dean of the Faculty of Geology, University of British Columbia.

XI.—Labour.

The Illegal Strikes and Lock-outs Ordinance, No. 10, was based on the English Trades Disputes and Trade Union bill, which became law in England on the 29th July, 1927 The Hong Kong Ordinance became law on the 8th July, 1927.

FACTORIES.

The ordinance regulating the employment of children in factories has now been in force for five years and it may not be out of place to survey briefly the results attained. This ordinance (No. 22 of 1922) was the first piece of constructive factory legislation introduced into this Colony and to the Chinese factory owners was an entirely new departure. In the earlier stages a large number of the younger children were dismissed from the factories, the owners finding it easier to dispense with child labour than to comply with the requirements of the ordinance as to hours of work, overtime and holidays. The children so dismissed have not been replaced and it is now admitted that the absence of child labour need not affect output. In factories where children have been retained the conditions of the ordinance have been accepted without serious objection. No European firms in the Colony employ children under the age of 15 years and the total number of children employed has been reduced until at present there are not more that one hundred and fifty children under that age regularly at work in factories. This large reduction is partly accounted for by the depression in the knitting trade and cigarette factories. No new beginners have been taken on during the year and many of these who have hitherto been registered under the ordinance have now outgrown the age of registration. The cigarette factories which formerly employed a large number of young girls were closed for a considerable part of the year: production has now been resumed but on a limited scale and where formerly 160 children were engaged in packing cigarettes there are now but 15 at work. Apart from the cigarette trade the knitting factories of Kowloon are the principal employers of women and girls. Some of these have closed down during the year: others have found markets elsewhere to replace those lost and have built up a considerable export trade with Singapore and the Dutch East Indies. The trade outlook appears brighter and some firms are installing new machinery and plant in anticipation of improved trade in the near future.

Dangerous Trades.—Glass making, boiler chipping and firework making. Visits of inspection have been made to all places where these trades are carried on. No breach of the ordinance has been discovered.

Building material etc.—The practice of engaging children to carry coal, bricks and sand up the Peak, once so common and the subject of so much comment has almost entirely ceased. Isolated cases still occur where children are found helping their mothers but they are not now regularly employed and engaged by contractors for this work.

XII.—Legislation.

Twenty-eight ordinances were passed during 1927. The most important were the following.

The Factory (Accidents) Ordinance, No. 3, gives power to make regulations for the purpose of preventing accidents. The regulations which have been made are short and simple. In this matter it is necessary to proceed here by easy stages until Chinese public opinion has been more fully educated on the subject. In any case, the proximity of China makes it impossible to proceed too far on European lines while China lags so far behind.

The Basel Evangelical Missionary Socitey Incorporation Ordinance, No. 7, restores this mission to it pre-war status and position.

The Public Revenue Protection Ordinance, No. 9, provides a method of imposing or altering taxation rapidly and secretly, with the object of defeating attempts to take advantage of the old rate of taxation, or freedom from taxation, by means of accelerated clearances from bond or otherwise. It gives the Governor power to impose or alter taxation provisionally, and it provides that the taxation so imposed or altered is to be operative from the actual making of the order by the Governor. The Governor's order remains in force for only four months at most, and it ceases to be in force before that time if the proposals embodied in it are rejected by the Legislative Council. If the Governor's order is not ratified by Legislative Council any excess taxation paid has to be refunded.

The Suppression of Piracy Amendment Ordinance, No. 15, provides for the abolition of the present system by which ship owners have to give bonds binding them to provide grilles and to make certain other structural alterations of their ships, to employ guards, and to carry out certain other anti-piracy measures within certain portions of their voyages from and to Hong Kong. This system was probably necessary originally, but it has now been decided to leave the question of anti-piracy measures on board to the shipowners themselves, and to confine the Government anti-piracy measures to searching the ships and their passengers so far as may be practical, before they sail from Hong Kong. The Ordinance contains a suspending clause and was not put into operation in 1927.

The Chinese Extradition Amendment Ordinance, No. 17, is an attempt to make possible again extradition from Hong Kong to China which had been rendered impossible by the abnormal constitutional condition of China. It enables the Governor to act on a request received from any person which he may declare to be or to represent the person or persons actually exercising authority in any province or other territory which has at any time formed part of the Republic of China.

XIII.—Miscellaneous.

EMIGRATION AND IMMIGRATION.

Two hundred and eighty five thousand, five hundred and ninety three emigrants (285,593) left Hong Kong for various places during the year 1927. Of these, 138,263 were carried in British ships and 147,300 in Foreign ships.

One hundred and eighty one thousand, and one hundred (181,100) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this colony or from coast ports, as against 128,661 in 1926. On these, 100,889 arrived in British ships and 80,211 in Foreign ships.

Statement of number of emigrants to Straits Settlement 1915 to 1927 compared with total Chinese emigration.

	No. of Emigrants to Straits Settlement.	Total No. of Emigrants.
1915	41,278	68,275
1916	82,797	117,653
1917	63,292	96,298
1918	8,019	43,830
1919	11,638	59,969
1920	43,935	105,258
1921	87,324	156,011
1922	50,356	98,393
1923	65,584	120,224
1924	75,682	129,859
1925	97,552	140,534
1926	157,285	216,527
1927	202,408	285,593

INSTITUTIONS.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Pó Leung Kuk is a Chinese Society founded in 1878 for the suppression of kidnapping and traffic in human beings. It was incorporated in 1893 and is presided over by the Secretary for Chinese Affairs and not more than twelve directors nominated by the Governor. The actual management is entrusted to a committee elected annually by the members of the Society. The Society's buildings have been declared a Refuge under the Women and Girls Protection Ordinance, and almost all women and girls detained by the Secretary for Chinese Affairs under that Ordinance are sent to the Pó Leung Kuk. During 1926 the number of persons admitted was 299 and at the close of the year 45 remained under the care of the Society. The inmates are under the immediate charge of a Chinese matron, and instruction is given them by the matron and a Chinese teacher in elementary subjects and in needlework.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The Government makes an annual grant of $2,000. and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies: Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends. Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation.

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- *CEYLON.*
- *COLONIAL SURVEY COMMITTEE REPORT.*
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- *WEI-HAI-WEI.*
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History and Geography.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Narking in August, 1842, and the charter bears the date of 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 square miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration (*see* XIII Miscellaneous).

The rainfall for 1927 was 107.86 inches, and for 1928, 71.15 inches. There was a serious shortage of rain from the middle of July to the end of the year; only 18.24 inches falling during this period as against an average of 39.50 inches. From October 19 to the end of the year only 0.850 inch fell, 0.585 inch of which fell on November 13-14. In 1927 the mean temperature was 71.4′ and in 1928, 72.4′, the mean minimum temperature during the latter year ranging from 79°9′ in July to 55°0′ in February and the mean maximum temperature from 88°5′ in July to 63°1′ in February. There was a heat wave from July 4 to August 4. The mean temperature for July, 83°5′, was the highest on record, except in 1889 when it was 83°6′. Typhoons are prevalent during the months July to October, but the Colony was not visited by a typhoon in 1928.

The currency of Hong Kong consists of the following coins (vide Order in Council, 2nd February, 1895):—

1. The silver dollar of Mexico.
2. British dollar.
3. The Hong Kong dollar, half-dollar, and 20 cent, 10 cent, and 5 cent pieces, issued from the Hong Kong Mint. (1866-68).
4. Half-dollars, 20, 10, and 5 cent pieces, imported from England, and coined at the Royal Mint and Birmingham Mint.
5. Copper coins representing one-hundredth part of the dollar (called one cent), and one-thousandth part of the dollar (mil or cash), imported from England.

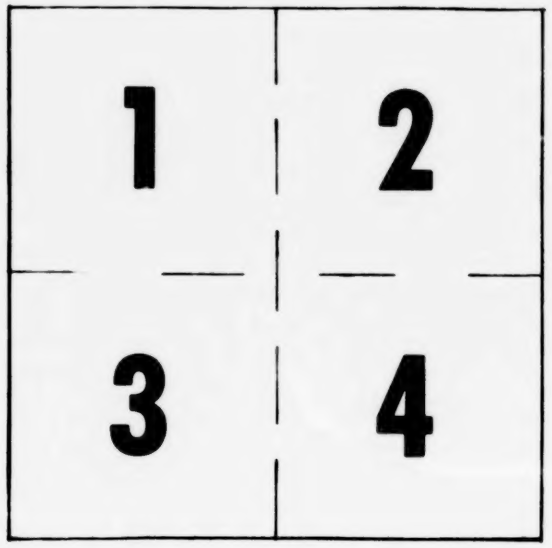
Local weights and measures are the following:—

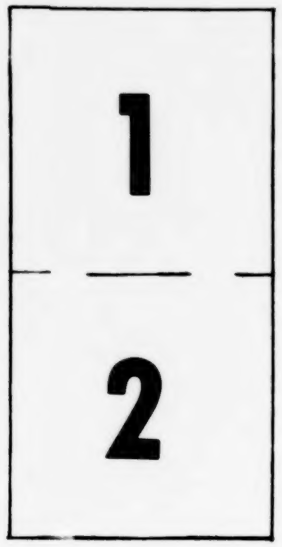
1 tael = 1.1⅓ oz.:

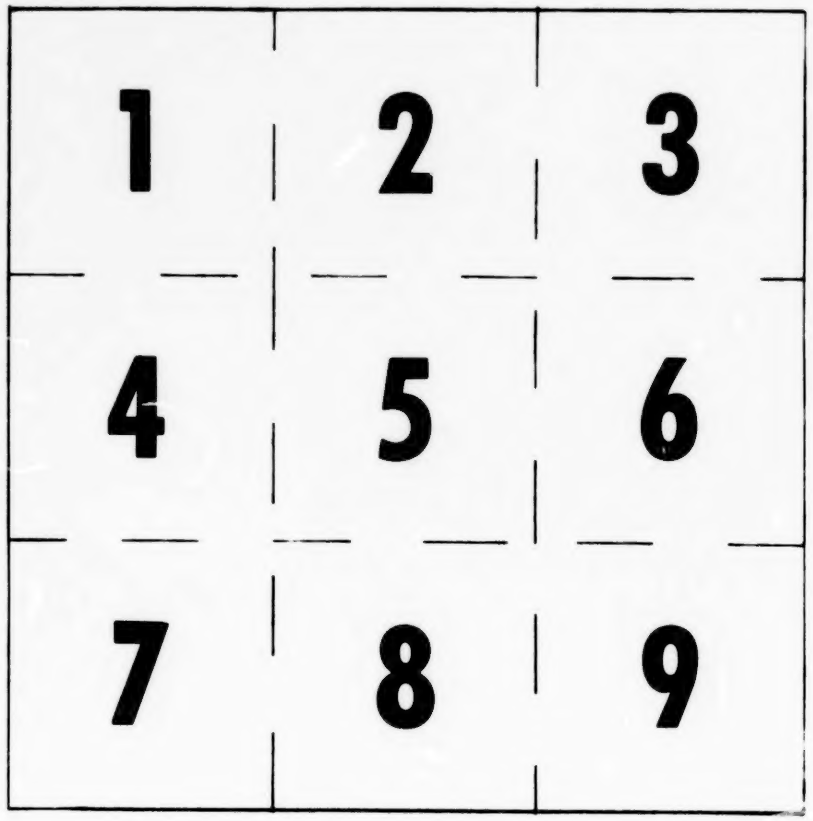
1 picul = 133⅓rd lbs. (avoirdupois)

7½ catties = 1 imperial gallon;

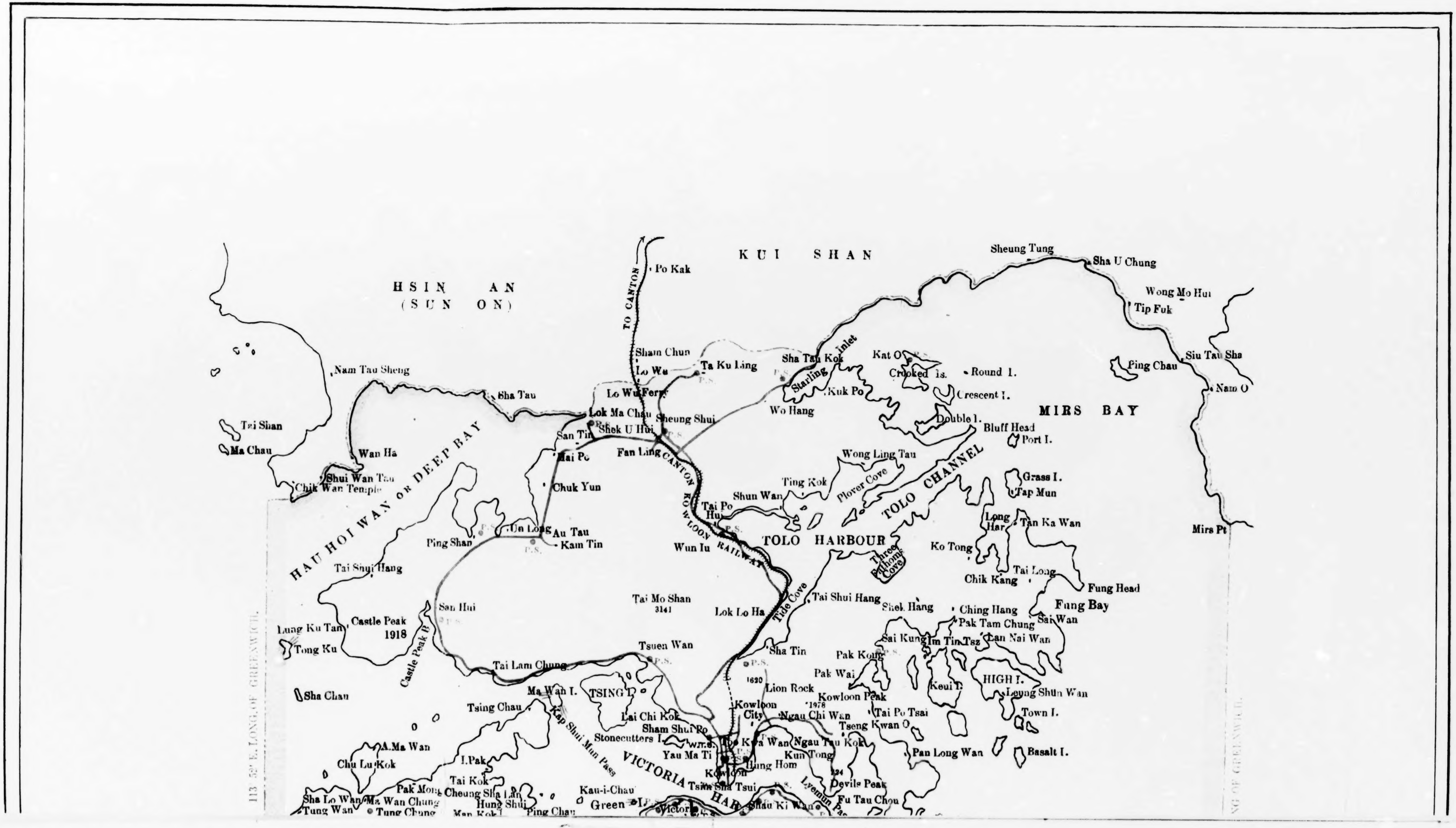
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







MAP OF HONG KONG AND NEW TERRITORIES.



KUI SHAN
HSIN AN (SUN ON)
TO CANTON
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Sheung Tung
Sha U Chung
Wong Mo Hui
Tip Fuk
Sham Chun
Lo Wu
Ta Ku Ling
Sha Tau Kok
Starling Inlet
Kat O
Crooked Is.
Round I.
Ping Chau
Siu Tau Sha
Nam O
Nam Tau Sheng
Sha Tau
Lo Wu Ferry
Kuk Po
Crescent I.
Wo Hang
MIRS BAY
Tai Shan
Ma Chau
Lok Ma Chau
Sheung Shui
Double I.
Bluff Head
Port I.
San Tin
Shek U Hui
Fan Ling
CANTON KOWLOON RAILWAY
Wan Ha
Mai Po
Wong Ling Tau
Shui Wan Tau
Chik Wan Temple
HAU HOI WAN OR DEEP BAY
Chuk Yun
Ting Kok
Plover Cove
TOLO CHANNEL
Grass I.
Tap Mun
Shun Wan
Tai Po Hui
Long Har
Tan Ka Wan
Ping Shan
Un Long
Au Tau
Kam Tin
Wun Iu
TOLO HARBOUR
Three Fathoms Cove
Ko Tong
Mirs Pt
Tai Shui Hang
Tai Long
Chik Kang
Fung Head
Tai Mo Shan
3141
Tide Cove
Tai Shui Hang
Shek Hang
Ching Hang
Fung Bay
San Hui
Lok Lo Ha
Pak Tam Chung
Sai Wan
Lung Ku Tan
Castle Peak
1918
Tong Ku
Tsuen Wan
Sai Kung
Im Tin Tsz
Tan Nai Wan
Castle Peak B.
Tai Lam Chung
Sha Tin
Pak Kong
1620
Pak Wai
Keui I.
HIGH I.
Leung Shun Wan
Sha Chau
Ma Wan I.
TSING I.
Lion Rock
Kowloon Peak
Tsing Chau
Kowloon City
1978
Tai Po Tsai
Town I.
Kap Shui Mun Pass
Lai Chi Kok
Ngau Chi Wan
Tseng Kwan O
Sham Shui Po
Stonecutters I.
Ko Kwa Wan
Ngau Tau Kok
A. Ma Wan
Yau Ma Ti
Kun Tong
Pan Long Wan
Basalt I.
Chu Lu Kok
I. Pak
VICTORIA HAR.
Hung Hom
Tai Kok
Kowloon
Devils Peak
Pak Mong
Cheung Sha Lan
Kau-i-Chau
Tsim Sha Tsui
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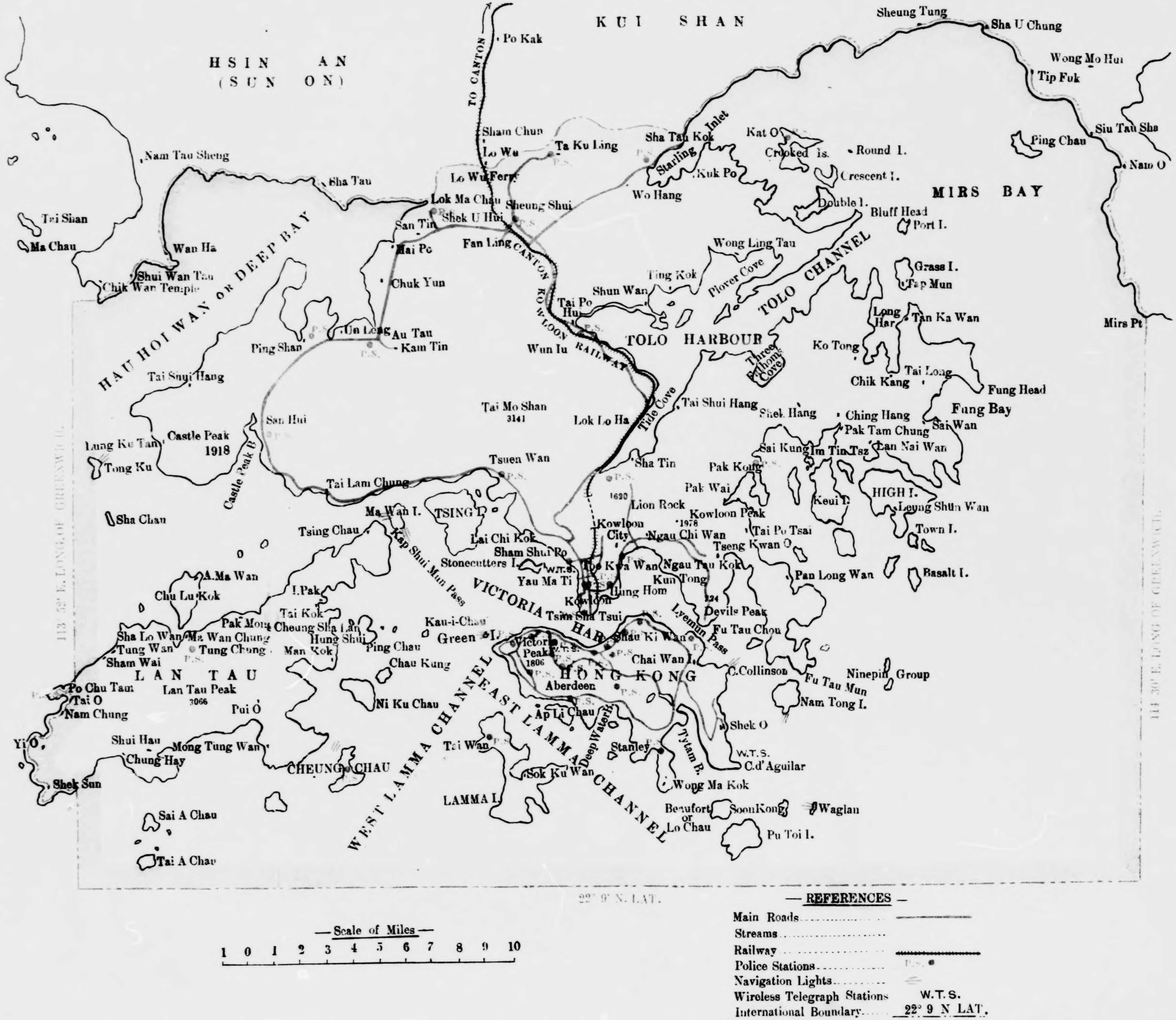
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Kowloon
Tsim Sha Tsui
224
Devils Peak
Lyemun Pass
Fu Tau Chou
Pak Mong
Cheung Sha Lan
Hung Shui
Kau-i-Chau
Green I.
Sha Lo Wan
Ma Wan Chung
Tung Wan
Tung Chung
Man Kok
Ping Chau
Victoria Peak
1806
Shau Ki Wan
Chai Wan I.
Sham Wai
LAN TAU
Chau Kung
HONG KONG
C.Collinson
Fu Tau Mun
Ninepin Group
Po Chu Tam
Lan Tau Peak
3066
Tai O
Nam Chung
Pui O
Ni Ku Chau
Aberdeen
Nam Tong I.
Ap Li Chau
Shek O
Yi O
Shui Hau
Mong Tung Wan
WEST LAMMA CHANNEL
EAST LAMMA CHANNEL
Tai Wan
Deep Water B.
Stanley
Tytam B.
W.T.S.
C.d'Aguilar
Chung Hay
CHEUNG CHAU
Sok Ku Wan
Wong Ma Kok
Shek Sun
LAMMA I.
Beaufort or Lo Chau
Soon Kong
Waglan
Pu Toi I.
Sai A Chau
Tai A Chau
113° 52' E. LONG. OF GREENWICH
114° 30' E. LONG. OF GREENWICH
22° 9' N. LAT.
Scale of Miles
1 0 1 2 3 4 5 6 7 8 9 10
REFERENCES
Main Roads
Streams
Railway
Police Stations P.S.
Navigation Lights
Wireless Telegraph Stations W.T.S.
International Boundary 22° 9' N. LAT.

I. General.

The year 1928 showed a continuation of that steady recovery in the financial and commercial position of the Colony reported for the year 1927, which is reflected in the financial figures of the year published in Part II.

The new development of the Kai Tak Aerodrome and Shing Mun Waterworks are typical of the new confidence and vision. The cost of these, though too great to be borne out of revenue was easily met by the flotation of the balance of the Public Works 6% loan issued at a premium of 3% which was promptly over-subscribed; such indeed was the response that further loans for the purpose of financing future development of the waterworks scheme may be assured of a hearty welcome by the Public.

The disastrous events of December 1927 had left Canton with an empty Treasury; a large area of the business quarter of the city had been destroyed by fire; the army of Cheung Fat-fui was still a menace; a Soviet had been established with much blood-shed in the Hoi Luk-fung districts, and brigandage was rampant throughout the province. On January the 4th Marshal Li Chai-sum returned to Canton from Shanghai to find his party again in power and began without delay to evolve some order out of the general chaos. By the end of the first quarter Cheung Fat-fui had been expelled, the communists scattered and driven into the mountains and the currency of the province had almost returned to parity.

By the end of February the situation had so improved that H.M's. Minister, Sir Miles Lampson, was able to pay a formal visit to Canton, and on 2nd March Marshal Li Chai-sum came to Hong Kong where he remained as a guest at Government House until March the 4th. From March the 9th to the 11th His Excellency the Governor was in return the guest of Marshal Li at Canton. This interchange of visits leading as it did to the resumption of friendly relations between the Governments of the two cities marked the end of the period of estrangement which had culminated in the boycott, and as a token of this the boycott committee was formally dissolved during the same month. Real progress was made during this period in dealing with brigandage and it could be said with truth that by the end of the year the countryside was safer for honest men than it had been since the revolution. Noteworthy events were the despatch of a permanent garrison to Bias Bay in the autumn and the operations against the bandits of the Ku Tau Mountains which took place in the winter.

General Chan Ming-shü succeeded Marshal Li as Chairman of the Provincial Council in December. This year saw also the formal recognition by Great Britain of the National Government of China.

Although the steps taken by the Kwangtung Government to suppress piracy in the Bias Bay area were not entirely successful, the number of piracies which took place was at least less than in the previous year and the prospect of co-operation between the Chinese and foreign Governments in this respect gives promise of greater success in the future.

The list of piracies which took place in 1928 is as follows:—

Date	*Vessels*	*Place*
9.3.28	Junk Hoi Cheung (Chinese Register)	Til Hau Kok in Sham Shui District.
14.4.28	S.S. Hsin Wah	Bias Bay.
1.5.28	A.P.C. Motor Boat.	Off Chung Chow Is. (3½ miles outside British Water).
6.5.28	Cargo Junk	Lank Ku Yau.
	S.S. Tean	Hoi How.
26.9.28	S.S. Anking	Tai Chow How.

One of the most interesting events of the year was a Grand Tattoo held early in October, organized by a combined military and civilian committee. This, the first spectacle on such a scale ever organized in the Far East, was attended by over 10,000 persons, and welcomed as a huge success. The proceeds were devoted to charity and it is to be hoped that similar entertainments will be held in the future.

The Shanghai Defence Force, whose presence in the Colony was one of the features of 1927, had for the most part been transferred to Shanghai by the end of that year, leaving in the Colony the two British Garrison battalions and the 2nd Battalion Scots Guards; the latter were also transferred to Shanghai in June, 1928.

The Queen's Regiment, originally part of the Shanghai Defence Force, was relieved in December, by the Somerset Light Infantry. The Garrison was thus maintained at a strength of two British and one Indian battalions.

His Excellency the Governor, Sir Cecil Clementi, K.C.M.G., sailed for home for eight months' furlough on 9th May, 1928, and the Colonial Secretary, the Hon. Mr. W. T. Southorn, C.M.G., acted as Officer Administering the Government during his absence.

The honours conferred on residents of Hong Kong by His Majesty the King included the appointment of the following:—

Mr. E. D. C. Wolfe	C.M.G.	
Miss M. Sloan	M.B.E.	
Mr. H. K. Holmes	C.B.E.	(Civil)
Dr. S. W. T'so, LL.D.	O.B.E.	,,
Mr. R. Sutherland, M.B.E.	O.B.E.	,,
Miss L. E. Mackay	O.B.E.	(Military)
Mrs. C. G. Alabaster	M.B.E.	(Civil)
Mrs. H. R. Remington	M.B.E.	,,
Mrs. E. D. C. Wolfe	M.B.E.	,,
Captain Adey	M.B.E.	,,
Mrs. Russell-Brown	M.B.E.	,,
Subadar Major Piran Ditta, D.C.M.	M.B.E.	(Military)
Mr. A. J. Reed	I.S.O.	
Mr. P. T. Lamble	I.S.O.	

On Sunday, November 18th, 1928, the four "Southampton" flying boats of the Royal Air Force, under Command of Group Captain M. Cave-Brown-Cave, arrived from Salamague, which is situated in the Northern Philippines. The boats left Singapore on November 1st, and had visited Kuchang, Labuan, Port Princessa, Manila and Salamague. After making one week's stay in Hong Kong they returned to Singapore via Tourane Bay, Coconut Bay, Bangkok, Victoria Point and Penang. On reaching Singapore, they had completed 5,340 miles in 41 days.

II. Finance.

1. The total revenue of the year amounted to $24,968,399 which sum exceeded the Estimate by $1,865,009 and the revenue for 1927 by $3,623,863.

It should be noted, however, that included in the revenue is a sum of $1,963,359 which was recovered from the funds of the Public Works Loan (1927) on account of expenditure on Loan Works during the years 1923-1926.

There were increases under all heads with the exception of Light Dues which showed a slight decrease. The most notable feature was the increase in Land Sales of $1,485,236 and another large increase of $517,790 was shown under Licences and Internal Revenue mainly due to Assessed Taxes, Liquor Duties and Opium Monopoly.

A considerable increase in Radio and Postal Traffic is reflected in the Post Office Revenue which exceeded the Estimate by $151,918 and improved conditions enabling the Kowloon-Canton Railway through service to Canton to be maintained resulted in an increase of $101,800.

2. The expenditure for the year amounted to $21,230,242 which was $952,803 less than the estimate and $385,177 more than the expenditure in 1927.

Substantial savings were effected in the votes of the Public Works Department and the Harbour Department and to a smaller extent in many other departments.

3. The following is a statement of Revenue and Expenditure for the last five years.

Year.	*Revenue.*	*Expenditure.*
1924	$24,209,640	$26,726,428
1925	23,244,365	28,266,817
1926	21,131,582	23,524,716
1927	21,344,536	20,845,065
1928	24,968,399	21,230,242

4. *Public Debt*:—In November the balance of the 6% Public Works Loan (1927) was issued at a premium of three per cent. The nominal value of this issue was $1,927,000 bringing the amount of the Loan, which is repayable in 1932, up to $4,927,000. The Sinking Fund amounted to £20,666.

The Inscribed Stock Loans of 1893 and 1906 due for repayment in 1943 stood at £1,485,733 and Sinking Fund at £631,051.

5. *Trade Loan*:—A further 87 loans amounting to $3,403,560 were redeemed during the year thus reducing the number of the loans outstanding on 31st December, 1928, to 83 representing a sum of $4,697,906.13.

In four cases it was found necessary to enforce the security and this was done without loss.

III. Production.

FORESTRY, AGRICULTURE & BOTANY.

Formation of Plantations.—Certain areas were definitely allocated for the purpose of permanent forestry reserves, greatly increased areas were consequently sown with *Pinus Massoniana* and other trees both *in situ* and broadcast.

Insect Pests.—Pine Tree Caterpillars made their appearance in the early months of the year, the damage done by them was not serious.

Protection of Plantations.—The total length of fire barriers in all parts of the Colony was increased by three miles and all old barriers maintained in good condition; the presence of the barriers undoubtedly saved many plantations from serious damage and in some cases total destruction.

Cultivation of Foreign Vegetables.—The amount of foreign vegetables grown is increasing annually and such vegetables find a ready sale among the European residents.

Inspection of Nursery Stock.—Eighteen consignments totalling 17,340 bulbs of Narcissus Tazetta were inspected and certified for export to Britain and the United States of America.

Numerous consignments of dried vegetable products were inspected and certified for export to the Philippine Islands.

FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

MINING.

The mineral resources of the Colony are small and little mining was done in 1928.

MANUFACTURES.

Sugar.—The Sugar markets of the world continued, during 1928, to suffer from over-production, mainly in Java, and prices during 1928 were the lowest registered since the pre-war period. The hope that the over-production would be taken up in the replenishment of invisible stocks was not realised, and business generally was confined to hand-to-mouth buying. Whilst consumption in Europe increased by a nominal amount, that of America has registered a slight set-back.

Recent development of trade between Java and the consuming centres in China in washed sugar—a much cheaper process than refining—was one of the main factors leading to the permanent closing down of one Hong Kong sugar refinery and the stoppage for six months of another.

Hosiery.—There are established in the Colony over a score of Chinese-owned factories for the knitting of cotton hosiery and singlets. The factories use, except for the higher grades, Japanese yarn and find an ever-increasing demand for their products in South Africa, the Persian Gulf, and in many parts of the near East, wherever there is a large native population.

Ginger.—A dozen ginger-preserving establishments deal with the raw product which is imported from South China and supplied principally to Great Britain, Holland, the U.S.A. and Australia, to the extent of about £300,000 annually.

Rope Making.—Rope-makers have had a fairly satisfactory year.

SHIPBUILDING

Two ocean-going passenger vessels were built in local dockyards during 1928, four ocean-going motor vessels, and twenty smaller craft.

IV. Trade and Economics.

In the opinion of merchants the recovery of trade—which more settled political conditions in China gave reason to expect—scarcely manifested itself in 1928 to the extent hoped for. The volume of business was, as far as can be estimated in the absence of trade statistics, no more than maintained.

The following figures, taken from returns for 1921 (the last available), show the principal countries with which trade is carried on:—

	Imported from	*Exported to*
United Kingdom	£ 9,450,000	£ 744,000
Germany	1,835,000	132,000
Belgium	696,000	19,000
Holland	326,000	107,000
France	319,000	79,000
Italy	259,000	6,000
Sweden	173,000	2,000
Other European Countries	189,000	16,000
United States of America	5,915,000	2,189,000

Cuba, Central & S. America ...	169,000	933,000
Japan, Korea & Formosa	9,127,000	3,523,000
Australia	1,042,000	428,000
Canada	733,000	410,000
New Zealand	54,000	62,000
Foreign Countries Miscellaneous	195,000	38,000
TOTAL	£30,482,000	£ 8,988,000

The Scale of Hong Kong's trade with neighbouring countries is indicated by the following figures, also taken from the statistics for 1924:—

	Imported from	*Exported to*
India	£ 1,998,000	£ 805,000
Ceylon	21,000	133,000
Burmah	1,051,000	224,000
Straits Settlements & F.M.S. .	1,692,000	2,893,000
British North Borneo	277,000	129,000
China	*25,974,000	39,738,000
Netherlands East Indies	9,457,000	1,054,000
French Indo-China	10,994,000	5,135,000
Siam	6,262,000	2,530,000
Philippine Islands	654,000	1,719,000
TOTAL	£58,380,000	£54,360,000

Hong Kong's own consumption and production of commodities is comparatively small; one of its main functions is to act as an entrepot and clearing house for the products of South China and for the world's manufactured goods passing into South China.

However, owing to the fact that no duties are levied upon commodities, except liquors and tobacco, whereas China levies import and export duties upon all commodities, the tendency has been for a number of manufacturing processes to be established in the Colony, *e.g.*, sugar and tin refining, cement making and ginger preserving; there are also several factories weaving cotton manufactured goods, and hundreds of native workshops manufacturing rattan ware and similar products.

Much of the voluminous trade with neighbouring countries comprises purely Chinese commodities and is carried on by Chinese firms in Hong Kong with branches elsewhere. Trade with Europe, the Americas and Australasia is principally in the hands of British and foreign import and export firms who do business with the Chinese mercantile community established in Hong Kong, purchasing from them the products of China which have been assembled from the interior, and selling manufactured goods which pass on from wholesale to retail dealers and so to the small shopkeepers in the interior of of China. The lack of modern means of communication in China necessarily makes the process slow and difficult.

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* This figure is obtained from the Chinese Maritime Customs Returns.

The Chinese written language is a great hindrance to direct dealings between Chinese traders and merchants and manufacturers in foreign countries; another obstacle is lack of confidence by shippers overseas—the product of many regrettable experiences. The substantial British and foreign firms in Hong Kong, with their branches in the Treaty Ports of China, serve a definitely useful purpose in acting as intermediaries between Chinese and overseas traders. Owing to the hindrances to commerce resulting from the language difficulty and the lack of education of the proprietors of native manufactories it would be impossible for firms abroad to do business direct. As a rule letters would not be answered, and, even if contact were established, there would be no means of ensuring deliveries in accordance with sample. It is in this matter, especially, that the foreign exporters protect the interests of buyers abroad. Enquiries as to the South China market should be addressed to the General Chamber of Commerce, Hong Kong.

V. Communications.

SHIPPING.

The total Shipping entering and clearing Ports in the Colony during the year 1928 amounted to 300,316 vessels of 44,883,765 tons which compared with the figures of 1927 shows an increase of 1,609 vessels and an increase of 756,604 tons.

Of the above, 52,278 vessels of 37,640,691 tons were engaged in Foreign Trade as compared with 51,289 vessels of 36,834,014 tons in 1927.

There was an increase in British Ocean-going shipping: 652 vessels of 1,132,261 tons.

Foreign Ocean-going vessels show an increase of 603 vessels and an increase of 61,970 tons.

British River Steamers show a decrease of 932 vessels and a decrease of 530,341 tons. This decrease is due to the following vessels not running owing to Fire, Shipwreck and other causes. S.S. "Sui Tai", "Kochow", "Anjou", "Paul Beau" and "Charles Hardouin".

Foreign River Steamers show an increase of 70 vessels and a decrease of 18,855 tons.

In Steamships not exceeding 60 tons employed in Foreign Trade there is an increase of 651 vessels with an increase in tonnage of 7,669 tons.

Junks in Foreign trade show a decrease of 55 vessels and an increase of 153,976 tons. This is due to larger vessels being employed.

In Local Trade (*i.e.* between places in the waters of the Colony) there is a decrease in Steam Launches of 3,581 Vessels and a decrease in Tonnage of 105,069.

Junks in Local Trade show an increase of 4,201 Vessels entered and cleared and an increase of 54,993 tons.

Of vessels of European construction, 5,912 Ocean-going vessels, 3,927 River Steamers, and 4,249 Steamships not exceeding 60 tons entered during the year giving a daily average of 38.5 vessels as compared with 37.3 vessels in 1927 and 20.8 vessels in 1926

Ocean-going Vessels entered as follows:—

Flag.	Vessels.		No. of times entered.		Total Tonnage	
	1927.	1928.	1927.	1928.	1927.	1928.
British, ...	346	371	5,702	5,562	8,466,960	8,786,202
Japanese, ...	264	250	1,109	1,016	2,927,207	2,829,121
U.S.A., ...	79	83	245	251	1,495,775	1,471,424
Chinese, ...	81	75	1,315	1,670	847,073	812,037
German, ...	43	60	151	163	487,160	564,429
Danish, ...	11	14	48	70	153,341	196,780
Dutch, ...	41	36	251	245	849,766	823,506
French, ...	32	33	246	312	629,144	724,176
Italian, ...	6	5	26	26	141,566	143,918
Panamanian, ...	—	1	—	1	—	388
Norwegian, ...	61	74	472	419	657,005	613,765
Portuguese,......	5	5	73	81	15,526	14,380
Swedish, ...	9	11	30	43	103,182	128,955
Mexican, ...	1	—	1	—	1,183	—
Total.	997	1,018	9,669	9,859	16,774,788	17,109,051

A comparison between the years 1927 and 1928 is given in the following table:—

Class of Vessels	1927.		1928.		Decrease.		Increase.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going, ...	3,861	9,660,440	4,513	10,792,701	..	...	652	1,132,261
Foreign Ocean going, ...	6,767	16,039,724	7,370	16,101,694	...	...	603	61 970
British River Steamers, ...	7.549	7,300,082	6,617	6,769,741	932	530,341	...	...
Foreign River Steamers, ...	1,165	561,155	1,235	542,300	...	18,855	70	...
Steamships under 60 tons Foreign Trade...	7,893	233,374	8,544	241,043	...	...	651	7,669
Junks, Foreign Trade, ...	21,054	3,039,239	23,999	3,193,215	55	...	...	153,976
Total, Foreign Trade, ...	51,289	36,834,014	52,278	37,640,694	987	519,196	1,976	1,355,876
Steam Launches, Local Trade.........	219,555	5,771,970	215,974	5,666,901	3,581	105,069	..	...
Junks, Local Trade, ...	*27,863	*1,521,177	†32,064	†1,576,170	...	...	4,201	54,993
Grand Total...	298,707	44,127,161	300,316	44,883,765	4,568	654,265	6,177	1,410,869
				Net, ...	...	...	1,609	756,604

* Including 15,358 Conservancy and Dust Boats of 993,280 tons.
† „ 15,966 „ „ „ „ of 903,674 „

HONG KONG SHIPPING STATISTICS.

Year	Number & Tonnage of Vessels in Foreign Trade entered & cleared.			Total Shipping Entered and Cleared.	
	Number	Total Tonnage	Percentage of British Tonnage	British Tonnage	Total Tonnage
1918	43,436	16,955,332	41.7	7,072,021	29,518,189
1919	41,985	21,072,129	43.0	9,095,805	35,615,169
1920	43,364	24,194,022	43.8	11,608,069	40,122,527
1921	52,222	27,852,616	44.3	12,766,492	43,420,970
1922	50,427	29,543,564	45.4	13,420,118	46,566,764
1923	49,900	35,947,534	47.0	16,920,491	53,402,239
1924	57,765	38,770,499	47.3	18,369,413	56,731,077
1925	41,336	32,179,053	47.6	15,321,935	49,520,523
1926	30,231	28,371,104	51.5	14,730,846	43,796,436
1927	51,289	36,834,014	45.7	16,960,522	44,127,161
1928	52,278	37,640,694	46.6	17,562,442	44,883,765

KOWLOON-CANTON RAILWAY.

All the through express trains between Kowloon and Canton continued to be hauled by British Section engines daily throughout the year, with the exception of two periods totalling 9 days when through traffic was temporarily suspended.

Monthly general revenues showed a steady and healthy increase, even throughout the summer months which are usually lean ones, until by the end of the year General Revenues had amounted to $820,994.90 against $713,424.85 for last year.

General Revenues for the first time since the opening of the line exceeded Working Expenses by the very satisfactory sum of $20,040.73 notwithstanding the inclusion of the exceptional sum of $30,526.76 being depreciation of rails in stock, which were written down to market value and depreciation debited to Working Expenses.

Liabilities under Capital decreased by $138,080.45. The accumulated deficit stood at $6,978,224.05 on December 31st.

The Fanling Branch Line was closed in April as of no further service to the public since the opening of the motor road to Sha Tau Kok. A good proportion of the track recovered as also of the rolling stock and buildings, was disposed of.

Additions to Capital Account were light as there were no engineering works of note. The principal items being the Improvements at Taipo Market Station $21,027.31 and Machines for Workshops $6,575.93.

Revenues from Rents which in 1927 amounted to $33,428.00 declined to $7,728.57.

The Railway suffered no damage from typhoons or rainstorms.

Permanent Way and Structures, Rolling Stock and Plant were maintained as usual.

The Workshops continued to be exceptionally busy until about November, as by arrangement with the Chinese Section 30 of their goods wagons were thoroughly overhauled and reconditioned at our shops.

The total train mileage amounted to 292,345½ miles, or 67,581 miles more than last year. This includes trains run over the Chinese Section to Canton.

The Rules applicable to the Public and to the Staff, as also the General Tariff, were all revised and reprinted.

As the result of a decision to adopt concrete sleepers generally, in replacing wooden ones, manufacture was re-started in April and 5,070 concrete sleepers turned out by the end of the year.

POST OFFICE.

Mails.—The number of mail receptacles of Hong Kong origin despatched during the year was 35,517 as compared with 35,159 in 1927—an increase of 358; the number received was 45,202 as compared with 43,638—an increase of 1,564.

Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 175,492 as against 194,200 in 1927—a decrease of 18,708.

The large decrease in the number of receptacles for Men-of-War was due to the withdrawal of a large number of vessels—including a flotilla of destroyers—consequent on the establishment of a more peaceful state of affairs in China.

Registered Articles and Parcels.—The number of registered articles handled amounted to 806,980 as compared with 833,177 in 1927—a decrease of 26,197; of these figures 15,946 were in respect of Hong Kong postings and 10,251 transit articles.

The figures for insured letters were 17,430 and 17,648 respectively—an increase of 218.

Parcels, ordinary and insured, which were dealt with reached a total of 423,880 as against 424,047 in 1927—a decrease of 167.

WIRELESS.

1. The year 1928 saw considerable advances made in the reorganisation and establishment on a sound basis of the wireless services of the Colony.

2. The Kowloon Royal Observatory W/T Station was closed as a transmitting station, the transmitter installed there being thoroughly overhauled, redesigned and installed at Victoria Peak for broadcasting and commercial services. The Observatory station is now used as the receiving station for the ship services and as a distant reception station for the Radio Telegraph Office. The Observatory Station operates, by remote control the transmitters installed at Cape D'Aguilar which are used for the ship services. The station is also used for the reception of time signals, and long distance weather reports.

3. Cape D'Aguilar is now a gouped transmitter station for ship services and for point to point transmitters. Reception is not carried on at this station, operation and control of transmitters being done by remote control from the Radio Telegraph Office and the Observatory Station.

4. Early in the year a new site for a wireless station, to be built and organised on the most up to date lines, was chosen at Victoria Peak. A considerable amount of progress has already been made in the erection of station buildings, masts etc., and two transmitters are already installed there, one working on 300 metres for broadcasting musical programmes, weather reports, news bulletins etc. and when not in use for broadcasting working on 850 metres for

commercial services, and the other one working on 49 metres for communication with points in South China and French Indo-China. The station which is still in course of erection will, when completed, accommodate high power short wave long distance transmitters for commercial working with practically all parts of the world. The call signal of Victoria Peak Wireless Station is ZBW and its position is Lat. 22°16′ 38″.56 N., Long. 114°08′ 31″.95 E

5. The Radio Telegraph Office which was transferred from the 1st Floor of the General Post Office Building to the Ground Floor of the new P. & O. Building during the month of October is the controlling station for all services. R.T.O. operates by remote control the transmitters installed at Cape D'Aguilar and Victoria Peak which are used for fixed point services, carries on direct and indirect reception, and accepts and distributes radiotelegraphic traffic. Commercial wireless telegraph services are maintained between numerous points in South China, French Indo-China, Siam, British North Borneo, Yunnanfu, Philippines, Dutch East Indies, Dutch Borneo, American Continents, Europe, etc.

The revenue collected by the Post Office during the year from radiotelegrams amounted to $162,517.66 an increase of $20,639.21 on the amount collected in 1927.

Advices of vessels signalled at the Lighthouses yielded $1,021.00, Semaphore messages, $3.60 and Wireless Receiving Station Licences $482.51. The total Revenue from the Telegraph Service amounted to $162,999.97.

The number of paid radio-telegrams forwarded during the year was 38,422 consisting of 322,041 words against 22,793 consisting of 209,171 words in 1927, and 51,951 were received consisting of 477,109 words as against 26,326 consisting of 276,078 words.

In addition to the paid traffic figures given above the wireless service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 373 messages 211,156 words from Rugby, the collection and distribution of meteorological traffic, having forwarded 2,966 messages 205,194 words, and received 10,346 messages 200,623 words, the reception of Saigon Health Bulletins once weekly, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc., etc.

An interesting development during the year 1928 was the commencement of local broadcasting. The programmes, which occupy approximately four hours daily consist of musical items, speeches, weather reports, news bulletins, church services, concerts etc., are transmitted by the transmitter installed at Victoria Peak and controlled from the studio on the First Floor of the General Post Office Building. Broadcasting is gaining in popularity and the demand for receiving licences for which a charge of $5.00 per annum is made, is becoming greater.

CABLES.

The Eastern Extension Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provide good connections with Europe *via* India, with Australasia, and with the other British Colonies and possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; and the system of the Great Northern Telegraph Co. gives a good service to Europe *via* Asiatic Russia.

TELEPHONES.

Telephonic communication, provided by the Hong Kong Telephone Co., is available to most parts of the Colony.

VI. Justice, Police and Prisons.

Serious Crime in 1928 showed a slight increase over 1927—5,351 cases against 4,879. Minor Crime showed a considerable decrease 14,077 cases against 19,891 cases in 1927. The increase in serious crime is accounted for by the increase of burglaries and larcenies in dwellings, and felonies other than murder, robbery, assault with intent to rob, kidnapping, piracy and unlawful possession. Larceny cases showed a marked decrease. In the minor offences, "Miscellaneous" showed a decrease of 5,000 cases.

There was an increase of 2 murders, and a decrease of 1 robbery.

The murder of Mr. Lee Hysan, a well known member of the Chinese Community, was the most serious outrage of the year. The victim was shot in the back at point blank range while entering his Club, which was accessible only from a little frequented back lane: no hue and cry was raised, and the murderer made good his escape.

There were no sudden variations in the population of the Colony during the year, as conditions in the neighbouring Province remained generally peaceful.

In May, the Japanese Boycott, which was reflected in the Colony, resulted in nothing more serious than a few isolated cases of window smashing, which were promptly dealt with and checked.

Piracy.—Five Piracies were recorded, the two principal being the S.S. "San Nam Hoi" in January, and the S.S. "Anking" in November. The Chief Officer of the "San Nam Hoi" and 2 Indian Guards were killed. 15 of the pirates were captured, and 7 were executed by the Kong Mun Authorities. In the "Anking" Piracy, the Chief Officer, the Chief Engineer and Chinese Compradore were killed and the bodies thrown overboard. One of the pirates was afterwards arrested in Hong Kong and executed. A number of piracies on junks occurred during the year in waters adjoining the Colony.

Piracy in the Canton River Delta showed an increase.

There were no serious strikes or industrial troubles during the year.

Labour Associations.—Three events of importance took place:—

(1) Proscription of Cha Kui Tsung Kung Wui.

(2) Proscription of Ki Tuk Kau Siu Nin Tuen.

The closing of these two centres evoked no opposition, and was merely a continuation of the policy of closing all seditious Political Associations operating under the guise of Labour Unions.

(3) The Chinese Seamens' Associated Union, a local Union working in conjunction with local Institutions opened at the end of 1928.

A most successful "Tattoo" was held early in October at which the attendance reached the large figure of 10,000. A Public Entertainment on such a large scale naturally required very special Police, and particularly Traffic arrangements which were carried out to the satisfaction of the general public attending the "Tattoo".

The total number of persons committed to Victoria Gaol was 5,756 as compared with 7,740 in 1927. Of these 1,117 were committed for criminal offences against 1,740 in 1927. Of committals for non-criminal offences there were 35 less for hawking without a licence, and 19 less for unlawfully cutting trees, than in 1927.

The daily average of prisoners confined in the Gaol was 1,071 the average for 1927 being 1,189 and the highest previous average being 1,116 in 1925. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter was 0.100. The average percentage for the last ten years was 0.121. Owing, however, to the large floating population, which is constantly moving between the Colony and Chinese Territory, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 450 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 0.49 as compared with 0.52 in 1927 and 0.49 in 1926.

Prisoners are employed at printing, book-binding, tinsmithing, mat-making, tailoring, carpentering, soap-making, gardening etc. Practically all the Government printing and book-binding is done in Victoria Gaol.

VII. Public Works.

BUILDINGS.

During the year progress as stated was made on the following works:—

Hong Kong.—The New Hospital at Victoria Gaol, an enclosed Revolver Range for the Police, fifty two Village Houses at Wong Nei Chong together with School and Public Trough Closet were completed. The new Reception Block at Victoria Gaol, an additional storey to the Colonial Secretariat Building and the new Wireless Telegraph Station at the Peak were nearing completion by the end of December.

Kowloon.—An open Market at To Kwa Wan and Public Conveniences at King's Park were completed together with a temporary block of new Class Rooms to the Central British School and the raising of the Time Ball Tower on Signal Hill. A new Store at the Yaumati Slipway was commenced in October.

A number of minor works were also carried out in the district.

New Kowloon.—An open Market at Kowloon City, Quarters for Sextons at Sai Yu Shek Cemetery and 2 Public Trough Closets and 1 temporary latrine at Shamshuipo were completed.

Public Latrine and Bath-house at Shamshuipo and Extension to Shamshuipo Market were in course of erection.

New Territories.—The erection of a new School at Cheung Chau and Pill Boxes for Military Authorities at Lo Wu and Sha Tau Kok were completed. Block House for police at Lin Tong was commenced in June and was nearing completion by the end of the year.

COMMUNICATIONS.

Hong Kong.—Approach road to Tung Wah Hospital at Sookunpoo and Path to Revolver Range at Bowen Road were completed. The site formation and road construction at Wong Nei Chong was nearing completion by the end of the year.

Kowloon.—Waterloo Road Extension to boundary and earthworks for To Kwa Wan Road were completed and the former was partially surfaced by the end of the year. Argyle Street Extension to a width of 60 ft. was nearing completion by the end of the year.

New Kowloon.—Road to Dairy Farm Lots at Diamond Hill and Waterloo Road Extension to foothills were completed. Formation of roads in Kowloon Tong Development Area was nearing completion and the Widening of Castle Peak Road was in progress.

New Territories.—Tai Po Bridge reconstruction and road diversion, and Patrol Path from Ta Ku Ling to Lin Ma Hang were both completed early in the year.

DRAINAGE.

Hong Kong.—Considerable progress was made with the reconstruction of Wong Nei Chong Nullah, Section No. 3 being completed by the end of November, and Section No. 4 (in front of Jockey Club Stand), commenced in March, being more than half finished.

New sewers and storm water drains were constructed to a length of 8,833 feet, and stream courses (other than the Wong Nei Chong Nullah) trained to a length of 1,618 feet.

Kowloon.—The training of the large nullah in the Cemeteries Valley at Homuntin, commenced the previous year, was completed.

New sewers and storm water drains were constructed to a length of 6,400 feet.

Trenches were formed and swamps filled in, in connection with the anti-malarial campaign.

New Kowloon.—New sewers and storm water drains were constructed over the area generally to the length of 4,300 feet, and on the Kowloon Tong Development area to the length of 6,900 feet.

The construction of one side wall and invert to nullah on East side of Kowloon Tong Development area was completed.

Anti-malarial work was continued.

New Territories.—Various works of an anti-malarial nature were carried out at Taipo and Taipo Market. Sewers were constructed to the length of 200 feet, while about 300 feet of stream course training was accomplished.

WATER WORKS.

Hong Kong.—The Eastern Filter Beds and Service Reservoir were completed. A new 12″ main has been laid in Queen's Road East from Arsenal Street to Garden Road and a new 18″ main laid from Bowen Road Service Reservoir to Kennedy Road. A 2″ wrot iron pipe was laid across Aberdeen Harbour to provide a street fountain supply to Aplichau.

Seven thousand and sixty-eight feet of 6″ pipe and 372 feet of 8″ pipe have been laid in the Praya East Reclamation Roads.

Investigations, preparation of preliminary drawings and quantities in connection with the Aberdeen Water Scheme were continued.

Kowloon.—The following lengths of distributing mains were laid: —4″ C.I. 2,030 lin. ft., 6″ C.I. 4,020 lin. ft., and 8″ C.I. 1,820 lin. ft.

New Kowloon.—An additional length of 3,190 lin. feet of 6" C.I. mains were laid in the Kowloon Tong Development area.

The approach path to Kowloon Reservoir was regraded and surfaced.

New Territories.—The 3" main at Taipo was extended to Kam Tsin Village. An intake dam with conduit and pipe line was formed on the Needle Hill Stream to augment the Shing Mun Supply.

Shing Mun Valley Scheme.—The laying of the 1st 24" diameter steel main was continued, 9,100 lin. ft. being laid during the year, bringing the total laid to-date to 12,330. lin. ft.

The installation of the Paterson Rapid Gravity Filtration Plant was satisfactorily completed and tested during the year. This plant is now capable of filtering 5 million gallons per day and provision has been made for future extension to 10 million gallons per day.

A commencement was made towards the end of the year on the excavation for the Service Reservoir in the Shek Lai Pui Valley and fair progress was made.

RECLAMATIONS.

Hong Kong.—Praya East, 87 acres were reclaimed out of a total of 90 acres.

The North Point Scheme which is a private undertaking was completed.

Kowloon.—Tai Kok Tsui, about 54 acres, was completed.

New Kowloon.—A contract was let for the construction of the sea wall—about 1,600 feet in length—to protect the Shamshuipo Reclamation. Approximately 600 lin. feet of walling had been completed at the end of the year.

Approximately 1.7 acres reclaimed at Cheung Sha Wan in connection with the dumping of refuse.

The un-reclaimed portion of the Kai Tak Reclamation was filled in by Harbour Dredgings to a height of about 2 feet below formation level, and the filling protected by a sea wall. The area reclaimed to finished levels is about 120 acres, the area to be completed to formation level is approximately 85 acres.

Little progress was made with the Kowloon Bay West Reclamation.

New Territories.—The Standard Oil Co. continued with the formation of a site at Lai Chi Kok. About 90% of the work has been completed.

PIERS.

Kowloon.—The repair work to the Police Pier at Kowloon Point was completed.

SLIPWAYS.

New Kowloon.—It is proposed to use the Kai Tak Reclamation as a commercial aerodrome. A slipway 380 feet in length providing a depth of 6 feet of water at L.W.O.S.T. is under construction at the Eastern frontage of the reclamation.

SURVEYS.

Further triangulation was carried out to fix additional ground control stations required in connection with new map now in course of preparation.

VIII. Public Health.

The estimated population of the Colony is as follows:—

(1) *Non Chinese*		18,150
(2) *Chinese*:—		
City of Victoria,	550,000	
Villages of Hong Kong	43,000	
Kowloon (and New Kowloon)	264,890	
Population afloat	103,400	
New Territories,	96,250	
Total Chinese population		1,057,540
Total Civil population		1,075,690

The population of Hong Kong is a very variable one and owing to the large unstable, floating population, and to partial birth registration, no reliable means are available for estimation. For purposes of statistics, the estimated population of the New Territories has been subtracted.

The Crude Birth Rate for the year 1928 was 9.5 per 1,000; 9.2 per 1,000 among the Chinese Community and 20.4 per 1,000 among the non-Chinese as compared with 8.2 and 19.6 in 1927.

These figures are very inaccurate and unreliable owing to incomplete registration of Chinese births (especially females) and immigration. There are signs, however, that registration is increasing among the Chinese Community. The non-Chinese rate is more trustworthy.

The Crude Death Rate was 15.06 per 1,000; 15.14 per 1,000 among the Chinese Community and 11.20 per 1,000 among the non-Chinese. As registration is essential before burial can take place the figures for deaths are much more accurate and reliable.

The ratio of Infantile Deaths (under 1 year) to total deaths for the year 1928 was 29.5% which is midway between the figures for the years 1927 (31.6) and 1926 (27.3).

The Zymotic Death rate was .45.

The deaths from Notifiable Infectious Diseases in order of incidence were as follows:—

Disease	Chinese	Non-Chinese	Total
1. Small Pox	303	1	304
2. Typhoid	72	2	74
Paratyphoid	1	0	1
3. Diphtheria	26	1	27
4. Cerebro Spinal Fever	13	3	16
5. Puerperal Fever	13	2	15
6. Plague	2	0	2
Totals	430	9	439

There was a serious epidemic of Smallpox in the last quarter of the year which is still in progress (March 1929); up to 31st December, 1928, there were 616 cases notified of which 304 or 50% have died.

The deaths from special Diseases and locally important causes were as follows:—

Disease	Chinese	Non-Chinese	Totals
Malaria	289	6	295 (1)
Beri-beri	665	2	667 (2)
Respiratory Diseases:—			
Tuberculosis (pulmonary) and Phthisis	4,388	23	4,411 (3)
Non-tubercular	4,103	32	4,135
Other forms of Tuberculosis	795	11	806
Venereal disease (Syphilis)	275	—	275
Dysentery	290	1	291
Heart disease & Heart failure...	269	11	280
Infantile enteritis and Gastro-enteritis (under 1 year)	391	5	396 (4)

(1) Further antimalarial work is needed in the Colony but many of the cases are likely to have been imported from China.

(2) There is considerable doubt as to the accuracy of these figures as the disease is by no means easy to diagnose or differentiate.

(3) The total figure for Respiratory Diseases and Pulmonary Tuberculosis is 8,546; that is an average of twenty deaths a day from lung diseases. This figure far exceeds those from all other causes of death in the Colony. Over half the deaths are due to Pulmonary Tuberculosis which is due to bad housing conditions and overcrowding among the poorer section of the Chinese community. The climate and conditions of the Colony are most inimicable to cure.

(4) These and other nutritional diseases are world wide causes of infantile mortality. In death returns they are not always clearly defined. Malnutrition, non-breast feeding, neglect and dust-borne bacteria are the chief factors.

The deaths reported in the Coroners' Returns (Chinese only) are as follows classified according to age and sex:—

Age Periods	Males	Females
1. Under 2 years	2,103	2,350
2 Over 2 years	942	434
Totals	3,045	2,784

Suicides and Deaths from Accidents or Violence amounted to 378:—

(i) Chinese	358
(ii) Non-Chinese	21

These figures include a very large proportion of dumped bodies, especially heavy among infants. This dangerous and revolting practice is hard to eradicate among an ignorant population.

There were four cases of human plague reported in 1928; two on 4th May, one on 23rd June and one on 23rd July, the last two being fatal. The Colony had been free of plague for over four years and it is likely that the infection was brought from China by persons who had gone to their native district to worship at the tombs of their ancestors. A thorough house cleansing was instituted at once in the areas from which the cases came and it is possible that these measures prevented the spreading of the disease.

Systematic rat catching was carried out throughout the year, the total number of rats and mice destroyed being 155,572, (Hong Kong 95,312, Kowloon 60,260). Of these none was reported from the mortuaries as Plague infected.

The routine work authorised under the by-laws for the Prevention of epidemic endemic and contagious or infectious disease was carried out throughout the year; 96,875 floors were cleansed in Hong Kong and 55,710 floors in Kowloon. Practically all premises were cleansed twice in the year, many were cleansed three times and a few four times. Systematic limewashing of all domestic premises within the areas specified which are occupied by the members of more than one family was similarly supervised, 26,588 floors being limewashed in Hong Kong and 17,291 in Kowloon.

These two measures ensure a fair standard of cleanliness among the poorer classes of the community.

There were no cases of hydrophobia throughout the year; 142 dogs were placed under observation and 14 dog brains were examined by the Government Bacteriologist for evidence of rabies with negative results in all cases.

Government Hospitals.

Civil Hospital.—This hospital consists of three blocks and contains 198 beds in 23 wards. At times of pressure this number has been increased to 230 beds, 95 beds are allotted to the University Clinic. 4,995 In-patients were treated (4,891 in 1927). Of these 1,286 were under the Staff of the University (1,051 in 1927). The daily average number of patients was 175. Attendances at the Out-patient Department numbered 56,947. (35,962 in 1927). The greater part of the work of this Department is done by the Staff of the University.

Attached to the hospital is an isolated Maternity Hospital containing 23 beds. 776 patients were admitted during the year (686 in 1927). All the patients, except a few treated by the Government Medical Officers, were under the care of the University Professor of Obstetrics and his assistants. Of the admissions 10 were Europeans and 766 Asiatics.

Lunatic Asylum.—The Asylum is situated close to the Civil Hospital and is under the direction of the Medical Officer in charge of that hospital. European and Chinese patients are separated, the European portion containing 13 beds in separate wards and the Chinese portion 19 beds.

298 patients of all races were treated during 1928 and there were 20 deaths.

The Infectious Diseases Hospital is situated on the western outskirts of the city—it is used mainly for the treatment of Small-pox. The Hospital contains 26 beds to which 11 patients were admitted (9 in 1927).

Victoria Hospital.—This hospital is situated on the Peak and consists of a Main Block and a Maternity Block.

There are 50 beds in the main block to which 529 patients were admitted, and 25 beds in the Maternity Block to which 67 were admitted.

Kowloon Hospital.—Situated on the mainland has 43 beds. 1,201 patients were treated in 1928 as compared with 980 in 1927.

TUNG WAH HOSPITAL (Government aided).

Number of beds	500
Number of patients treated in 1928	11,186
Number of patients treated in 1927	9,726

INFECTIOUS DISEASES BRANCH.

Number of beds	63
Number of patients treated in 1928	126
Number of patients treated in 1927	31

KWONG WAH HOSPITAL, KOWLOON, (Government aided).

Number of beds	250
Number of patients treated in 1928	8,822
Number of patients treated in 1927	7,593

The Hospitals are under the supervision of a Visiting Medical Officer who is a member of the Medical Department.

IX. Education

The total numbers of pupils at schools in the Colony, excluding the Police School, are:—

	Number of Pupils		Total
	English Schools	Vernacular Schools	
Government Schools	3,674	385	4,059
Military School	128	—	128
Excluded Private School	167	—	167
Grant Schools	4,147	1,011	5,158
Vernacular Schools, Urban District	—	35,631	35,631
Vernacular Schools, Rural District	—	5,290	5,290
Private English Schools	6,377	—	6,377
Technical Institute	574	—	574
Total	15,067	42,317	57,384

The chief Government Schools are Queen's College, King's College, and three District Schools for Chinese boys, the Belilios Public School for Chinese girls, the Vernacular Middle School and two Vernacular Normal Schools, and the Ellis Kadoorie School for Indians.

The Central British School and Kowloon Junior, Victoria, and Quarry Bay Schools for children of British parentage have an average attendance of 293. There is also a school for children of the Peak District with an average attendance of 49.

There are 5 Grant-in-Aid Anglo-Chinese Schools for boys and 6 for girls, and 4 Grant-in-Aid Vernacular Schools for girls.

The Hong Kong Technical Institute affords an opportunity for high education of students who have left school. Instruction was given in 1928 in Building Construction, Field Surveying, Mathematics, Chemistry (Practical), Metallurgy, Physics, Electricity, French, Shorthand, Sanitation, Seamanship and Cookery. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from members of the medical and educational professions in the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The expenditure of the Education Department in 1928 was $1,100,295.08 and the revenue collected from Government School fees was $172,943.76.

THE UNIVERSITY OF HONG KONG.

The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

The late Sir Hormusjee Mody bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile. The latest addition to the buildings is a workshop built out of a contribution from Sir Robert Ho Tung.

The annual income of the University now amounts to about $574,000 of which about $315,000 comes from endowments and $50,000 from Government. Messrs. Butterfield and Swire gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockfeller Institution has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000.

The expenditure for the year 1928 amounted to $542,700.

The University includes the three **Faculties of Medicine, Engineering and Arts.** Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D., and M.S., may be obtained for postgraduate work. The degrees above mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, in mechanical or in electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure arts and science, social science, commerce and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to securing the maintenance of the desired standard —which is in all three faculties that of a British University degree— external examiners are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is granted, *honoris causa*.

The site of the University was given by the Government of Hong Kong. As subsequently enlarged by minor grants and by purchase, the University estate covers an area of 709,789 sq. ft. The view from the grounds over the harbour is magnificent and the grounds are naturally beautiful.

In the main buildings are housed the chemical and physical laboratories, the University library and portions of the engineering laboratories. They further include the Great Hall, a Senate room and the lecture and class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of anatomy, physiology, pathology and tropical medicine, erected at the cost of Chinese gentlemen resident in the Colony. Clinical instruction is given at the Government Civil Hospital.

Special engineering buildings include:—

(*a*) a power station, with internal combustion engines of varied types which are maintained for instructional purposes;

(*b*) a primemovers (steam) and hydraulics laboratory, at present housed in a converted pumping station, formerly the property of the Government; and

(*c*) A workshop, for practical instruction of students.

Electrical machinery, electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include:—

(*a*) the Vice-Chancellor's Lodge

(*b*) Staff-quarters

(*c*) the resident hostels, and

(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University or recognised hotel.

The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall.

Recognised hostels are at present two in number—Morrison Hall, situated immediately above the University grounds and conducted by the London Missionary Society, and St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society.

Each student occupies a separate room or cubicle, and there are the usual common rooms. Each University hostel is in charge of a member of the staff, as resident warden.

No University hostel at present exists for women students—whose right to admission to the University was first recognised in 1921; but some arrangements for the accommodation of a few women students in a rented building have been made by the authorities of St. Stephen's Girls' College, a Church of England girls' school which is near the University. The nuns of a neighbouring Italian convent are also prepared to house a few women students.

The tuition fee is $300—the hostel fee which includes board and lodging is $300. A student who is allowed to live in a hostel during a vacation—some have to because of their work, *e.g.* medical students, and others because their homes are too far away—pay at the rate of $8 a week. When a student joins he is required to deposit caution money to the extent of $25, and to pay a registration fee of $5. The annual subscription to the University Union is $15 and this covers the annual subscription to practically all the athletic clubs. The graduation fee is $25. Probably about $1,200 represents the minimum amount which at present prices would cover a student's annual expenses including vacations. It would cost a Chinese student who goes abroad $2,500 a year at the very least and this would not cover travelling expenses.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government. There are also scholarships provided by the Governments of Hong Kong, of the Straits Settlements and Federated Malay States, of Kedah and Siam.

The Union is the centre of the social life of the students. It is at once a Club and a centre of athletics. The Union Committee contains certain members of the University teaching staff, but its President and Secretary are undergraduates elected by the undergraduates. The undergraduate members of the Committee are also elected by their fellow students. There is a Union magazine with English and Chinese sections. The editors are students, a member of the teaching staff acting as assistant editor. There are thirty-eight women students; these women students are all members of the Union.

Students of the University come from Kwangtung, Chihli, Hankow, Hupeh, Yunnan, Hunnan, Shanghai, Pekin, Fukien, Singapore, Penang, Kuala Lumpur, Kedah, Jahore, Java, Manila, Burma, Siam, Japan, India and Macao. The present enrolment is 323 of whom 271 are Chinese and 52 non-Chinese.

X. Land and Surveys.

LAND GRANTS AND GENERAL VALUE OF LAND.

1. (1). The amount of premium received from Sales of Crown Land and Pier Rights exclusive of the New Territories during the year 1928 was $1,191,677.36 an increase of $1,084,043.73 on the preceding year, and $136,112.68 more than the average of the previous five years. The principal items were $120,237.50 for Kowloon Inland Lot No. 2135, $95,025 for Kowloon Inland Lot No. 2158, $92,325 for Kowloon Inland Lot No. 2111 and $71,275 for Kowloon Marine Lot No. 97

(2). The amount of premium received from Sales of Crown Land and Pier Rights in the New Territories during the year under review was $437,750.54 being an increase of $405,009.29 on the preceding year, and $219,741.10 more than the average of the preceding five years. The principal item being $120,031.25 for New Kowloon Inland Lot No. 1127.

(3). The foregoing increases indicate a gradual and welcome return to normal conditions.

2. The total area of land leased during the year was 462 acres 1 rood and 1-2/5 poles which is a slight increase on the preceding year.

The total area resumed was 1,788 acres 3 roods and 5-4/5 poles.

3. In Hong Kong and Kowloon there was a growing demand for building sites whilst in the Northern District of the New Territories there was little demand for house sites in the development areas but in the villages construction of new houses goes on steadily and there was a fair demand for agricultural land.

There is little to report with regard to the Southern District of the New Territories beyond an increase in the demand for house sites at Hang Hau and Ngong Ping.

SURVEYS.

An Aerial Survey of the Colony was undertaken in 1924 and the groundwork necessary to enable new maps of the Colony to be published was completed in 1927.

The Geological Survey of the Colony was continued by Dr. Brock Dean of the Faculty of Geology, University of British Columbia.

XI. Labour.

Most of the factories in the Colony have worked very much under their full capacity for the greater part of the year. This has resulted in a further decrease in the number of young children employed. The knitting factories in Kowloon and the cigarette factories in Hong Kong formerly employed large numbers of young girls of 12-15 years of age. With trade in an almost stagnant condition no new learners were taken on and those children already employed have outgrown the age of registration. The total number of children now working in factories is 100. These are employed in knitting factories. No European firms in the Colony employ children under the age of 15 years.

During the year investigations were made into the conditions prevailing in the white lead and vermilion factories with a view to ascertaining to what extent the workers in these trades—most of whom are women—suffer from mercurial or other poisoning contracted during the course of their employment; and to consider what measures can best be taken to minimise the risk from such industrial diseases.

No strikes or other disputes of importance occurred during the year though there were several minor incidents.

In January there was a short-lived strike at the Fung Keung Rubber Factory at Shaukiwan which followed the refusal of the owners to grant certain demands, for more wages, shorter hours, etc., which were suddenly presented to them by the workers. Later on definite evidence was discovered in a Communist den in Percival Street that the whole affair had been deliberately organised by two women Communists.

In March there was a strike of four or five days duration at the Sincere Perfumery Factory at Kennedy Town, arising from the stricter enforcement of the searching of employees on leaving the premises and a proposal by the management to raise the amount of security deposited by each employee to two dollars. This proposal was dropped and the strike settled itself.

In August the Kowloon Docks became the centre of a violent agitation against the system of engagement through foremen with its alleged "squeezing" of the workmen. The source of the agitation was traced to the Sing Ngai Kwan Workmen's Club. Communist organisations also have been quick to seize on this grievance as an occasion for propaganda and references to it occur frequently in pamphlets distributed from time to time among the Dockyard workers.

A note-worthy event was the proscription of the Hong Kong Teahouse Employees' Union, an organisation which had for long been notorious for the violence of its methods, the questionable sources of its income and the rascality of its members. The Motorcar Drivers' and Tailors' Unions, which closed down after the 1925 Strike, were revived this year.

XII. Legislation.

Twenty Ordinances were passed during 1928. The most important were the following.

The Secretary for Chinese Affairs Incorporation Ordinance, No. 3, makes the person for the time being performing the duties of that office a corporation sole. A large number of leasehold properties in the Colony were formerly held by various substantive or acting holders of that office, some of whom have now retired. The inconvenience of this was obvious. This Ordinance vests all those properties in the new corporation, which will also have power to hold future property assigned to it. Some of the properties so assigned are District Watchman Stations, others are Chinese Public Dispensaries, others are temples or temple properties, others are schools, and others are miscellaneous trust properties. All are held on trust. One lot has been vested in the new corporation which did not stand in the name of any holder of the office. That was the site of a temple at Shaukiwan. The Crown lease in that case, which was for 999 years, was in the name of Lam Ah Neung. An attempt was made to find Lam Ah Neung but it was unsuccessful, and it was eventually discovered that there was no such person and that the name only represented the goddess of the temple.

The Chinese Temples Ordinance, No. 7, was a very novel piece of legislation. It was a private bill introduced by the two Chinese members of the Legislative Council, and it was put forward on the strong recommendation and urgent request of the leaders of the

Chinese community. It had the full support of the Government. It does not interfere in any way with genuine Chinese religion. The objects of the legislation are three-fold:—

(*a*) It endeavours to prevent the exploitation of the ignorant by pseudo-religious and fraudulent charlatans who have greatly increased in number in recent years.

(*b*) It recovers for the benefit of the community the control over the funds of public temples which had been slipping into private hands.

(*c*) It prevents for the future the establishment of temples by private individuals as purely business speculations.

There are certain private temples, originally established by private individuals or particular families, which are managed honestly and unobjectionably, though of course the profits go to the private owners. All the known temples of this kind were included in a Schedule of exempted temples. One of them was the Tin Hau Temple, which was established 180 years ago by the Tai family. The main operative provisions of the Ordinance are as follows:—

(*a*) All Chinese temples have to be registered, and on registration, particulars have to be given of the funds of the temple and the application of its revenues.

(*b*) The properties and revenues of all Chinese temples, except those of the exempted temples, are placed under the control of a very strong Chinese committee, known as the Chinese Temples Committee, presided over by the Secretary for Chinese Affairs.

(*c*) To make this control effective, provision is made for vesting temples and temple properties, if necessary, in the new corporation sole created by Ordinance No. 3 of 1928, which has been referred to above.

(*d*) The revenues of all Chinese temples, except the exempted temples, are to be applied in the first instance to the maintenance of the temple properties and the due observance of the customary ceremonies, and any surplus may be transferred to a fund established by this Ordinance and known as the General Chinese Charities Fund, which may be applied to the purposes of any Chinese charity in the Colony. The fund is under the control of the Chinese Temples Committee.

Control of this kind and with these objects had been tried already and tried successfully, though not with the same machinery. One instance was that of the Man Mo Temple which was regulated by

Ordinance No. 10 of 1908. That temple has also been exempted from the operation of the present Ordinance. Another example was that of the Hau Wong Temple near Kowloon City. Ten years control of that temple resulted in a surplus sufficient to justify the use of it in building a new out-patient hospital in Kowloon City in connection with the Chinese Public Dispensary. This use of the surplus was suggested by the representatives of the inhabitants of Kowloon City, and it is no doubt an illustration of the kind of policy which will be followed under the Ordinance. The definition of the term "Chinese temple" naturally gave rise to considerable difficulty. The definition which was ultimately adopted is unusual in that it is based mainly on certain Chinese words which are not defined, *e.g.*, the word "Tsz", which means a Buddhist Monastery. It is doubtful if these Chinese words could be defined within reasonable limits, but it is not anticipated that any great difficulty will arise in the practical application of the term.

The Carriage of Goods by Sea Ordinance, No. 17, gives effect, as regards outward bills of lading from Hong Kong, to the proposals of the draft Convention on bills of lading agreed to at the meetings of the International Maritime Conference held at Brussels in October, 1922. The Ordinance is practically a copy of the English Carriage of Goods by Sea Act, 1924.

The United Kingdom Designs (Protection) Ordinance, No. 18, gives to the registered proprietors of designs registered in the United Kingdom under the Patents and Designs Acts 1907 and 1919, the like privileges and rights in Hong Kong as though the certificates of registration in the United Kingdom had been issued with an extension to the Colony.

XIII. Miscellaneous.

EMIGRATION AND IMMIGRATION.

Two hundred and fifty seven thousand one hundred and sixty two (257,162) Emigrants left Hong Kong for various places during the year 1928 of these 125,338 were carried in British ships and 131,824 in Foreign vessels.

One hundred and eighty seven thousand eight hundred and forty seven (187,847) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this Colony or from Coast ports as against 181,100 in 1927. Of these 103,127 were brought in British vessels and 84,720 in Foreign vessels.

Statement of number of emigrants to Straits Settlements 1916-1927 as compared with total number of emigrants from Hong Kong.

	To Straits Settlements.	Total No. of Emigrants.
1916	82,797	117,653
1917	63,292	96,298
1918	8,019	43,830
1919	11,638	59,969
1920	43,935	105,258
1921	87,324	156,011
1922	50,356	98,[illegible]3
1923	65,584	120,224
1924	75,682	129,859
1925	97,552	140,534
1926	157,285	216,527
1927	202,408	285,593
1928	169,741	257,162

INSTITUTIONS.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Pó Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Po Leung Kuk Society was founded in 1878 to aid in the detection and suppression of kidnapping, especially of girls and women, and to shelter such girls or women as had been kidnapped in the interior and brought to Hong Kong for sale or emigration. Its name means "institution for the protection of good women". The initiative in its formation came from the Chinese themselves, and ever since by subscription and personal service, they have continued to support it.

There is a paid Chinese staff-matron, amahs and nurses, and two clerks who are secretaries to the managing committee. This Committee meets every evening from Monday to Friday at 7 p.m. the principal meeting of the week being held at 12 noon on Sunday. It not only manages the Po Leung Kuk, but acts as an advisory committee to the Secretary for Chinese Affairs, in all cases affecting women and children, and Chinese family life generally, which are often extremely difficult and tedious. It corresponds when necessary with charitable institutions and private persons in various parts of China, traces parents of lost children or ill-treated muitsai, and shelters for the night any Chinese woman or girl who chooses to go. When parents or relations cannot be traced, the Committee arranges for the girls in its care to be given in marriage (never as concubines) or in adoption, always under bond and always with the consent of the Secretary for Chinese Affairs; and in every case that officer ascertains the girl's willingness before giving consent to either adoption or marriage.

In addition to the annual Committee appointed by co-option there is a Permanent Committee, which serves to maintain continuity of policy, and of which the Secretary for Chinese Affairs is the ex-officio chairman.

The number of inmates of the Po Leung Kuk on 1st January, 1928, was 61 and during the year 622 persons were admitted as against 502 in 1927.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The Government makes an annual grant of $2,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

The Tung Wa Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives an annual grant of $8,000 from the Government. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies: Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends.

Over half the number are now treated by Western methods. The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation.

The foundation stone of the Eastern Branch of the Tung Wa Hospital at Sookunpo was laid by His Excellency the Governor on 4th May, 1928, and at the end of the year the building was nearly completed. Funds in hand, which have been raised by subscription, amounted to over $380,000, though a very large further amount will be required.

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3s. 0d. (3s. 2d.).

EAST AFRICA COMMISSION.
Report. [Cmd. 2387.] 3s. 6d. (3s. 9d.).

REPORT OF THE SECOND IMPERIAL ENTOMOLOGICAL CONFERENCE. June, 1925. [Cmd. 2490.] 9d. (10d.).

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Report by the Hon. W. G. A. Ormsby Gore, M.P., on his visit during the year 1926. [Cmd. 2744.] 3s. 6d. (3s. 9d.).

IMPERIAL CONFERENCE, 1926.
Summary of Proceedings. [Cmd. 2768.] 1s. 0d. (1s. 1d.).
Appendices to the Summary of Proceedings' [Cmd. 2769.]
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AGRICULTURAL RESEARCH AND ADMINISTRATION IN THE NON-SELF-GOVERNING DEPENDENCIES.
Report of a Committee appointed by the Secretary of State for the Colonies. [Cmd. 2825.] 2s. 0d. (2s. 1½d.).

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No. **1494**.

HONG KONG.

REPORT FOR 1929.

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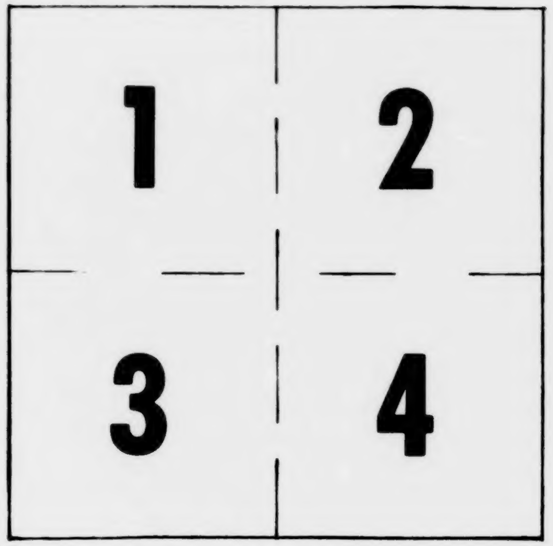

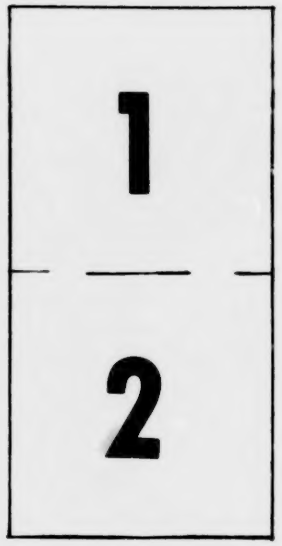

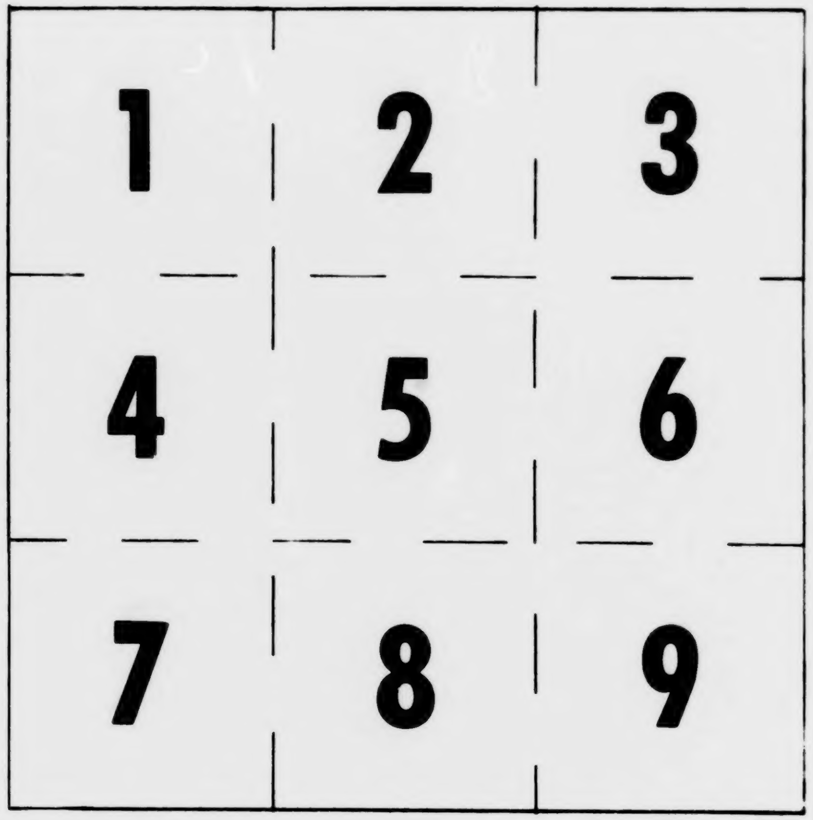

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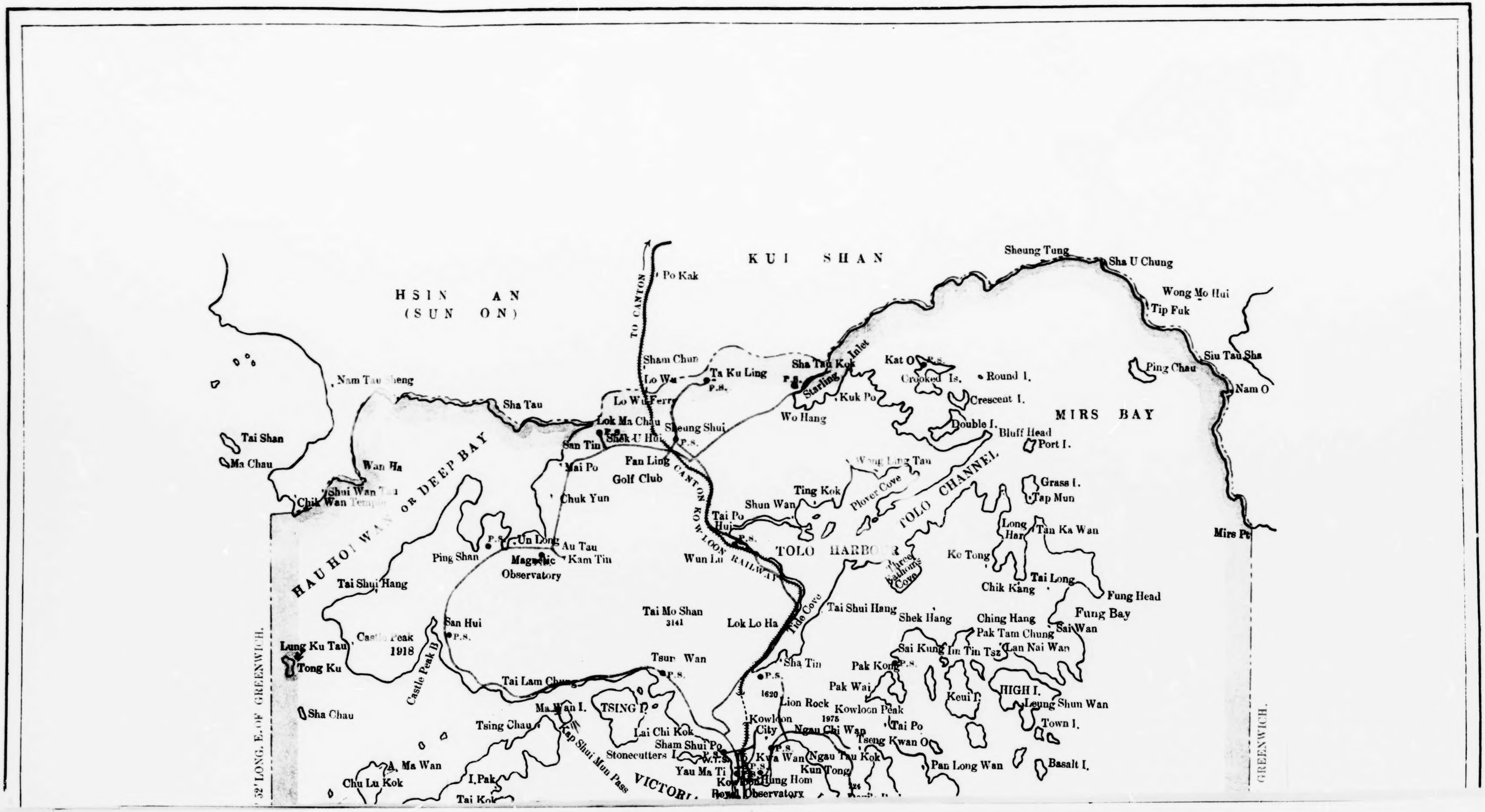
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Sha Tau
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Kuk Po
Crescent I.
Wo Hang
Lok Ma Chau
Sheung Shui
Shek U Hui
Double I.
MIRS BAY
Bluff Head
Port I.
Tai Shan
Ma Chau
San Tin
Fan Ling
Golf Club
Mai Po
Wan Ha
Wong Lung Tan
Shui Wan Tau
Chik Wan Temple
HAU HOI WAN OR DEEP BAY
CANTON KOWLOON RAILWAY
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Tap Mun
Chuk Yun
Ting Kok
Shun Wan
Plover Cove
TOLO CHANNEL
Tai Po Hui
Long Har
Tan Ka Wan
Mirs Pt
Un Long
Au Tau
Ping Shan
Magnetic Observatory
Kam Tin
Wun Lu
TOLO HARBOUR
Three Fathoms Cove
Ko Tong
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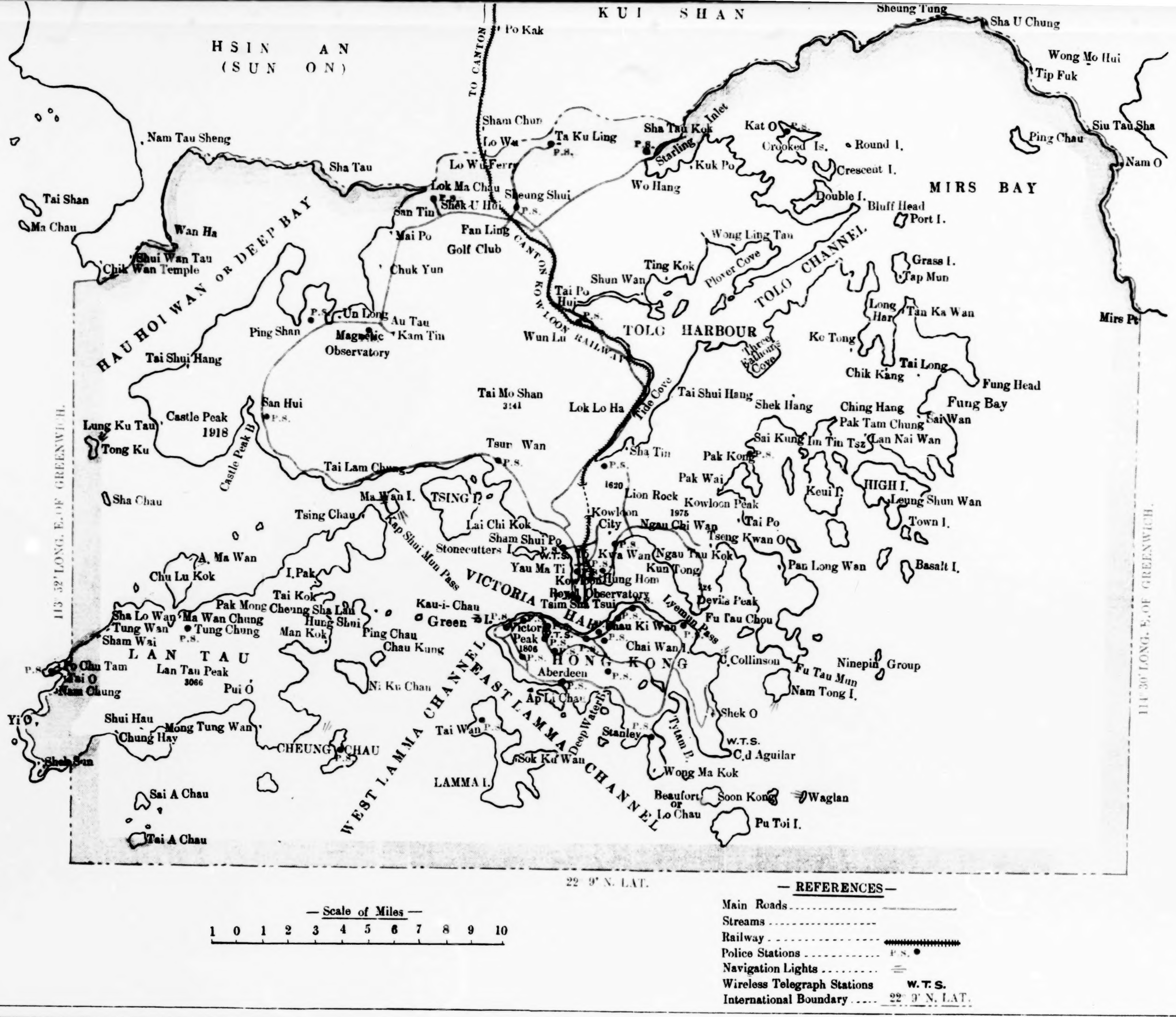
GREENWICH.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VICTORIA HARBOUR
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Lyemun Pass
Pak Mong
Cheung Sha Lan
Kau-i-Chau
Green I.
Shau Ki Wan
Fu Tau Chou
Sha Lo Wan
Ma Wan Chung
Hung Shui
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Victoria Peak
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Ninepin Group
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Lan Tau Peak
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Fu Tau Mun
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Nam Chung
Pui O
Ni Ku Chau
Ap Li Chau
Shek O
Yi O
Shui Hau
Mong Tung Wan
WEST LAMMA CHANNEL
EAST LAMMA CHANNEL
Deep Water B.
Chung Hay
Tai Wan
Stanley
Tytam B.
W.T.S.
C. d'Aguilar
CHEUNG CHAU
Shek Sun
Sok Ku Wan
LAMMA I.
Wong Ma Kok
Sai A Chau
Beaufort or Lo Chau
Soon Kong
Waglan
Pu Toi I.
Tai A Chau
113° 52' LONG. E. OF GREENWICH.
114° 30' LONG. E. OF GREENWICH.
22° 9' N. LAT.
— Scale of Miles —
1 0 1 2 3 4 5 6 7 8 9 10
— REFERENCES —
Main Roads
Streams
Railway
Police Stations P.S. ●
Navigation Lights
Wireless Telegraph Stations W.T.S.
International Boundary 22° 9' N. LAT.

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History and Geography.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about 11 miles long and 2 to 5 miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island, then desolate and sparsely inhabited by fishermen, was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842, and the charter bears the date of 5th April, 1843. All that part of Kowloon peninsula lying South of Kowloon Fort to the northernmost point of Stonecutter's Island together with that island was ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 square miles.

Trade gradually developed as China became accustomed to foreign intercourse and it increased greatly owing to the opening of the Suez Canal. It now stands at about 200 million pounds sterling per annum.

Large local banking, dock, steamboat, and insurance companies were established between 1865 and 1872, and their numbers are being continually added to.

The Colony is the centre of an incessant flow of Chinese emigration and immigration (*see* XIII Miscellaneous).

The Rainfall for 1928 was 71.15 inches and for 1929 it was 69.82 inches, against an average of 85.73 inches for the past 45 years. A serious shortage of rain from the end of February to the middle of June caused a water famine. Disaster was averted by a rainfall of 3.8 inches between June 14th and 25th, followed by frequent heavy rain in July to the extent of 22.7 inches, and in August to the extent of 20 inches.

In 1929 the mean temperature of the air was 72°.6 as against 72°.4 in 1928 and 71°.8 for the past 45 years.

The typhoon season may be said to last from June to October, though typhoons occasionally occur before and after this period. On August 22nd, 1929, a severe typhoon passed between Hong Kong and Gap Rock, on a WNW track, causing a violent gale at Hong Kong, the maximum gust velocity being at the rate of 117 m.p.h. from E. b. S. 1.39 p.m.

The currency of Hong Kong consists of the following coins (vide Order in Council, 2nd February, 1895):—

1. The silver dollar of Mexico.
2. British dollar.
3. The Hong Kong dollar, half-dollar, and 20 cent, 10 cent, and 5 cent pieces, issued from the Hong Kong Mint. (1866-68).
4. Half-dollars, 20, 10, and 5 cent pieces, imported from England, and coined at the Royal Mint and Birmingham Mint.
5. Copper coins representing one-hundredth part of the dollar (called one cent), and one-thousandth part of the dollar (mil or cash), imported from England.

Local weights and measures are the following:—

1 tael = $1\frac{1}{3}$ oz.;

1 picul = $133\frac{1}{3}$rd lbs. (avoirdupois)

$7\frac{1}{2}$ catties = 1 imperial gallon;

I.—General.

At the close of the year 1928 the accounts of the Colony showed a surplus balance of $8,091,634, and the balance at the end of 1929 was, subject to the final examination of the Crown Agents Accounts estimated to be $9,577,038. Thus, in spite of continued trade depression, the general position of the Colony remains sound, but increasing expenditure on normal recurrent charges and demands for new public works are more than overtaking the normal growth of revenue so that fresh sources will have to be explored in search of increased income.

On January 2nd, Marshal Li Chai Sum left Canton for Nanking to take part in the Disarmament Conference. He returned a month later and spent the month of February in an endeavour to reorganize the military establishments of Kwangtung and Kwangsi in conformity with the decisions reached. On March 5th he again left to attend the assembly of the National Party at Nanking. General Chan Ming Shü Chairman of the Kwangtung Provincial Government was following him a few days later but while in Hong Kong he sustained serious injuries in escaping from the fire which destroyed the King Edward Hotel necessitating his removal to hospital.

Meanwhile the friction which had been growing between the Central Government and the Kwangsi group since the expulsion of Lo Tik Ping from Hunan in February, developed into open warfare and Marshal Li Chai Sum was arrested and detained in Nanking on March 20th on a charge of complicity in the rebellion. His followers in Canton at once prepared to take the field but on March 30th they were expelled and Canton took the side of the Central Government under the leadership of Generals Chang Ming Shü and Chan Tsai Tong and Admiral Chan Chak.

Hostilities then broke out between Kwangtung and Kwangsi. A mutiny of the Cantonese Navy and an attempt to seize Canton by a *coup de main* on May 7th were frustrated by the use of aeroplanes and subsequently, after severe fighting which continued from May 10th to May 19th, a determined attack by the Kwangsi forces was completely defeated. By the end of June with the help of reinforcements from Nanking the province of Kwangsi was brought under the control of the Central Government. The rebellion of Cheung Fat Fui in September was the signal for a renewed rising in Kwangsi which culminated in a combined attack on Canton in the months of November and December. By December 18th the Cantonese armies had succeeded once more in routing their adversaries and the end of the year saw them in occupation of Wuchow preparing again for the invasion of Kwangsi.

Mr. Chü Chao Hsin resigned his post as Commissioner of Foreign Affairs at the end of May and was succeeded by Mr. Yee Shing L. C. Tao who held this office until the end of the year.

The office of Chairman of the Provincial Government was held throughout the year by General Chan Ming Shü.

The year showed a gratifying decrease in the number of piracies, the record though was somewhat marred by the piracy of the "Haiching" in December. The attack was however frustrated by the gallant efforts of the ship's officers and the co-operation of His Majesty's Navy.

The list of piracies which took place in 1929 is as follows:—

Piracy of fishing junk off Cheung Chau Island. Date 18th August, 1929. Piracy of the S.S. "Haiching". Date 8th December, 1929.

The year was rendered memorable by a slight change in the Constitution resulting in an increase in the numbers of the Legislative Council of the Colony. His Excellency the Governor on his return in January was able to announce the appointment of four additional members to the Council, two official and two unofficial. These seats were taken by the Harbour Master and the Director of Medical and Sanitary Services, and by two unofficial members, the Honourable Mr. J. P. Braga, and the Honourable Dr. S. W. Ts'o, O.B.E., LL.D., who made the third Chinese representative.

His Royal Highness the Duke of Gloucester, K.G., G.C.V.O., who had been entrusted with the mission to present the Order of the Garter to His Imperial Majesty the Emperor of Japan, passed through the Colony in April, arriving on the 25th, and leaving on the afternoon of the 27th in H.M.S. "Suffolk." Special arrangements were made for his reception and entertainment by the European and Chinese Communities, including the presentation of addresses on arrival at the City Hall, a dinner given by the General Chamber of Commerce, and a luncheon given by the Chinese Community. A reception and Garden Party on the Hong Kong Cricket Club ground took place on the afternoon of the 26th April. The Colony greatly enjoyed the honour of His Royal Highness' visit and all classes availed themselves of the opportunity of giving concrete evidence of their loyalty to the throne.

The honours conferred on residents of Hong Kong by His Majesty the King included the appointments of the following:—

Mr. Li Yau-tsun	C.B.E.
Lieutenant Colonel L. G. Bird, D.S.O.	O.B.E. (Military Division)
Mr. Cheng Cheuk-hin	I.S.O.
Mr. P. Julyan	I.S.O.

The Colony experienced a serious water shortage in the first half of the year which lasted until July 13th when a heavy fall of rain helped to remove further anxiety. The drought had lasted since the previous September, the year 1928 having a rainfall of only 71.16 inches as compared with 107.87 in 1927 and an average annual rainfall of 85.73. Pactically no rain had fallen since August 1928 and the position became increasingly serious until on July 11th only 41,000,000 gallons remained in the island reservoirs. It is calculated that under normal conditions the average daily consumption in the Island is 12,000,000 gallons, but restrictions on the supply had been gradually imposed with increasing severity so that by the end of the drought the actual consumption from the reservoirs had been reduced to 3,000,000 gallons a day. These restrictions were more acutely felt by the inhabitants of the more densely populated lower levels. Conditions in Kowloon were also serious, but of shorter duration, and on June 8th the total storage in the mainland was only 76 Mill. Gall. In order to alleviate their sufferings as far as possible a Water Emergency Committee was appointed at the beginning of June, to assist the Government in devising and carrying out schemes for augmenting the reservoir supplies.

To this end water was brought from out-ports in ships and from the Canton River in a specially chartered Tanker and H.M.S. "Cherub"; in addition various small streams in the New Territories were tapped and their yield brought in by lighters and water boats. These supplies were placed in large tanks situated along the waterfront from which the population of the lower levels, mainly Chinese, were permitted to draw. A special Water Shipping Committee was in charge of the transport of such supplies and had evolved schemes for further augmentation when the long expected rainfall in July removed the necessity for these emergency measures.

The unprecedented drought had, however, the effect of emphasising the urgency of increasing the normal supply, and the preparations already begun for the cross-harbour pipe line were hurried on with the utmost speed and it was anticipated that by April 1930, the Island would be in a position to draw extra supplies, if required, from the mainland reservoirs. The construction of the new Aberdeen reservoir was also expedited.

One of the most serious fires recorded in the history of the Colony occurred on March 11th when the King Edward Hotel was almost completely destroyed by fire. The disaster was the more serious owing to the loss of life. Altogether ten persons were killed, including six Europeans, and five persons were injured. Amongst the latter were General Chan Ming Shü, Chairman of the Kwangtung Provincial Government, and his wife who were in the Colony on a short stay on their way to Nanking.

His Excellency the Governor Sir Cecil Clementi, K.C.M.G., was absent from the Colony on short leave in the Philippine Islands from October 1st until October 28th. During his absence the Honourable Mr. W. T. Southorn, C.M.G., acted as Officer Administering the Government. The Honourable Mr. W. T. Southorn, Colonial Secretary, was absent on short leave from the 29th May to June 22nd, 1929.

On the 21st November it was announced that His Majesty had been pleased to approve the appointment of His Excellency Sir Cecil Clementi, K.C.M.G., as Governor of the Straits Settlements and High Commissioner of the Federated Malay States.

His Excellency Major-General C. C. Luard, C.B., C.M.G., General Officer Commanding the South China Command, left the Colony on the 7th March, 1929, on completion of his term of duty and was succeeded by His Excellency Major-General J. W. Sandilands, C.B., C.M.G., D.S.O., whose command was enlarged to include all the military forces in China.

Admiral Sir R. Y. Tyrwhitt, G.C.B., D.S.O., Commander-in-Chief of the China Station was succeeded by Vice-Admiral Sir A. K. Waistell, K.C.B., who hoisted his flag on February 1st, 1929.

II.—Finance.

The total revenue of the year amounted to $23,554,475.16 which sum exceeded the Estimate by $1,275,875.16 but fell short of the revenue for 1928 by $1,413,924.

It should be noted however, that included in the revenue for 1928 was a sum of $1,963,359 which was recovered from the funds of the Public Works Loan (1927) on account of expenditure on Loan Works during the years 1923-1926.

There were increases under all heads with the exception of Licences and Internal Revenue and Fees of Court etc., which showed decreases of $498,585 and $65,595 respectively. The most notable feature was the increase in Land Sales of $936,171 and another large increase of $458,477 was shown under Miscellaneous Receipts, mainly due to exchange.

A considerable increase in Radio and Postal Traffic was reflected in the Post Office Revenue which exceeded the Estimate by $73,665 while improved conditions enabling the Kowloon-Canton Railway through service to Canton to be maintained resulted in an increase of $82,445 in the Railway revenue.

The expenditure for the year amounted to $21,983,257 which was $2,816,393 less than the estimate and $753,015 more than the expenditure in 1928.

Substantial savings were effected in the votes of the Public Works Recurrent and P. W. Extraordinary and the Kowloon-Canton Railway and to a smaller extent in many other departments.

The serious shortage of water during part of the year involved the Colony in an expenditure of $357,993 in emergency measures.

The following is a statement of Revenue and Expenditure for the last five years.

Year.	*Revenue.*	*Expenditure.*
1925	$23,244,365	$28,266,817
1926	21,131,582	23,524,716
1927	21,344,536	20,845,065
1928	24,968,399	21,220,242
1929	23,554,475	21,983,257

Public Debt:—The amount of the Public Works Loan (1927) which is repayable in 1932. is $4,927,000. The Sinking Fund amounted to £51,320.

The Inscribed Stock Loans of 1893 and 1906 due for repayment in 1943 stood at £1,485,733 and Sinking Fund at £674,622.

Trade Loan:—A further 29 loans amounting to $1,556,536.86 were redeemed during the year thus reducing the number of the loans outstanding on 31st December, 1929, to 60 representing a sum of $3,340,022.22.

III.—Production.

FORESTRY, AGRICULTURE & BOTANY.

Formation of Plantations.—Planting of *Pinus Massoniana* and other trees was carried on chiefly in the areas which have been definitely allocated as permanent forestry reserves. 61,000 more trees were planted than in the previous year.

Insect Pests.—Pine Tree Caterpillars (*Dendrolimus punctatus*) made their appearance in very small numbers only, and the amount of damage done by them was negligible.

Protection of Plantations.—A large number of serious fires occurred in plantations, where not less than 10,000 mature Pine trees were destroyed. The major portion of the damage was done at the time of the Chung Yeung Festival, when the weather was exceptionally hot and dry.

Inspection of Nursery Stock.—Thirteen consignments, totalling 127,940 bulbs, of *Narcissus Tazetta* were inspected and certified as fit for export to Britain, United States of America and Hawaii.

One hundred and thirty-four consignments of dried vegetable products were inspected and certified as fit for export to the Philippine Islands.

Cultivation of Foreign Vegetables.—Increased interest is being shown by residents of the New Territories villages in the cultivation of this crop during the winter months; formerly the major portion of the Padi fields were kept empty for at least three months during the year.

Typhoon Damage.—Numerous large trees in the Botanical Gardens, streets and roads on the Island and in the New Territories were destroyed by the gale which passed close to the Colony on August 22nd.

FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

MINING.

The mineral resources of the Colony are small and little mining was done in 1929.

MANUFACTURES.

Sugar.—Hong Kong sugars were more in demand during 1929 than in the previous year, but markets were difficult and results disappointing. The continuation of the anti-Japanese boycott in China induced cautious buying for the first half of the year, and later, on its removal, stocks of sugar at abnormally low prices were forced on the market. Political unrest in China considerably curtailed business throughout the year.

Hosiery.—There are established in the Colony over a score of Chinese-owned factories for the knitting of cotton hosiery and singlets. The factories use, except for the higher grades, Japanese yarn and find an ever-increasing demand for their products in South Africa, the Persian Gulf, and in many parts of the near East, wherever there is a large native population. Business in hosiery manufactured at local knitting factories compares unfavourably with the volume in 1928. Low Japanese grades were less affected than manufactures of better class British yarns. Prospects appeared to be good during the early months of 1929, but an unexpected lack of enquiry set in about March, which left the trade considerably overstocked with both yarn and hosiery. The position at the end of the year showed signs of improvement, but was far from normal.

Ginger.—A dozen ginger-preserving establishments deal with the raw product which is imported from South China and supplied principally to Great Britain, Holland, the U.S.A. and Australia, to the extent of about £300,000 annually. Owing to the drought in South China in the early part of 1929, the price of raw ginger was higher than for many years. The high cost affected the demand in the buying markets, and the year on the whole was an unsatisfactory one for local manufacturers and merchants dealing in the product.

Rope Making.—The demand for Manila Cordage was not good during 1929, and the year's turnover showed a decrease on that of the previous year.

SHIPBUILDING.

Five coasting steamers, six passenger and cargo motor vessels, three other ocean going vessels, and fifteen smaller craft were built in local dockyards during 1929.

IV.—Trade and Economics.

In anticipation of the increased Chinese Customs Import Duties as from 1st February, the year opened with greater activity in import trade and in the clearance of stocks in Hong Kong. China New Year having passed off more or less satisfactorily, internal strife in China and depreciation of Central Bank of China notes proved a serious deterrent to trade for several months. Accentuated depression of the market marked the second half of 1929, autumn trading being handicapped by the fact that heavy shipments of piece goods and other commodities prior to the increase in the Tariff had not moved into consumption. The premium on the local dollar (as a result of its temporary divorce from silver value) aggravated already unfavourable conditions. The adjustment of exchange in October led to considerable improvement in offtake of piecegoods, and to an increase of activity in regard to exports. The recrudescence of internecine strife in adjoining provinces of China in November and December, in conjunction with general political unrest in Nanking and the North, brought about a most depressed state of affairs for the remainder of the year as regards imports and clearances, and greatly restricted export business in view of the holding-up of supplies.

V.—Communications.

SHIPPING.

The total Shipping entering and clearing Ports in the Colony during the year 1929 amounted to 300,557 vessels of 47,186,181 tons which compared with the figures of 1928 shows an increase of 241 vessels and an increase of 2,302,416 tons.

Of the above, 52,574 vessels of 39,871,149 tons were engaged in Foreign Trade as compared with 52,278 vessels of 37,640,694 tons in 1928.

There was an increase in British Ocean-going shipping of 221 vessels of 358,451 tons.

Foreign Ocean-going vessels showed an increase of 439 vessels and an increase of 1,032,895 tons.

British River Steamers showed an increase of 857 vessels and an increase of 1,040,135 tons.

Foreign River Steamers showed an increase of 366 vessels and an increase of 18,761 tons.

In Steamships not exceeding 60 tons employed in Foreign Trade there was a decrease of 1,110 vessels with a decrease in tonnage of 29,976 tons.

Junks in Foreign trade showed a decrease of 477 vessels and a decrease of 189,811 tons.

In Local Trade (*i.e.* between places within the waters of the Colony) there was a decrease in Steam Launches of 1,099 Vessels and a decrease in Tonnage of 106,785.

Junks in Local Trade showed an increase of 1,044 Vessels and an increase of 178,746 tons.

Of vessels of European construction, 6,274 Ocean-going vessels, 4,532 River Steamers, and 3,688 Steamships not exceeding 60 tons entered during the year giving a daily average of 39.7 vessels as compared with 38.5 vessels in 1928 and 37.3 vessels in 1927.

HONG KONG SHIPPING STATISTICS.

Year	Number & Tonnage of Vessels in Foreign Trade entered & cleared.			Total Shipping Entered and Cleared.	
	Number	Total Tonnage	Percentage of British Tonnage	British Tonnage	Total Tonnage
1918	43,436	16,955,332	41.7	7,072,021	29,518,189
1919	41,985	21,072,129	43.0	9,095,805	35,615,169
1920	43,364	24,194,022	43.8	11,608,069	40,122,527
1921	52,222	27,852,616	44.3	12,766,492	43,420,970
1922	50,427	29,543,564	45.4	13,420,118	46,566,764
1923	49,900	35,947,534	47.0	16,920,491	53,402,239
1924	57,765	38,770,499	47.3	18,369,413	56,731,077
1925	41,336	32,179,053	47.6	15,321,935	49,520,523
1926	30,231	28,371,104	51.5	14,730,846	43,796,436
1927	51,289	36,834,014	45.7	16,960,522	44,127,161
1928	52,278	37,640,694	46.6	17,562,442	44,883,765
1929	52,574	39,871,149	47.5	18,961,028	47,186,181

A comparison between the years 1928 to 1929 is given in the following table :—

Class of Vessels	1928.		1929.		Decrease.		Increase.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going. ……	4,513	10.792,701	4,734	11,151,152	..	…	221	358,451
Foreign Ocean going. …..	7.370	16,101,694	7,809	17,134,589	…	…	439	1,032,895
British River Steamers.…	6,617	6.769.741	7.474	7,809,876	…	…	857	1,040,135
Foreign River Steamers. …	1,235	542.300	1,601	561,061	…	…	366	18,761
Steamships under 60 tons Foreign Trade…	8.544	241,043	7.434	211,067	1.110	29.976	…	…
Junks, Foreign Trade, ……	23,999	3.193.215	23,522	3,003.404	477	189,811	…	…
Total, Foreign Trade, ……	52,278	37.640.694	52,574	39,871.149	1,587	219.787	1,883	2.450,242
Steam Launches, Local Trade………	215.974	5,666.901	214,875	5.560,116	1,099	106,785	..	…
Junks, Local Trade, ……	†32,064	†1,576,170	*33,108	*1,754,916	..	…	1,044	178,746
Grand Total..	300,316	44.883.765	300,557	47,186.181	2,686	326.572	2.927	2,628.988
			Net. ……… ………		…	…	241	2,302,416

† Including 15,966 Conservancy and Dust Boats of 903.674 tons.

* ,, 18,012 ,, ,, ,, ,, of 1,109.384 ,,

Of vessels of European construction 6,274 Ocean Steamers, 4,532 River Steamers and 3,688 Steamships not exceeding 60 Tons entered during the year, giving a daily average of 39.7 ships. Thus:—

Flag.	Steamers.		No. of times entered.		Total Tonnage.	
	1928.	1929.	1928.	1929.	1928.	1929.
British, ...	371	395	5,562	6,100	8,786,202	9,462,545
Japanese, ...	250	263	1,016	1,074	2,829,121	2,969,284
U.S.A., ...	83	87	251	343	1,471,424	1,681,683
Chinese, ...	75	71	1,670	1,620	812,037	610,239
German, ...	60	48	163	187	564,429	594,325
Danish, ...	14	13	70	80	196,780	214,977
Dutch, ...	36	38	245	290	823,506	1,013,048
French, ...	33	26	312	293	724,176	669,354
Italian, ...	5	14	26	53	143,918	250,532
Panamanian, ...	1	—	1	—	388	—
Norwegian, ...	74	83	419	468	613,765	656,395
Portuguese,.......	5	15	81	271	14,380	95,855
Swedish, ...	11	10	43	22	128,955	83,261
Mexican, ...	—	—	—	—	—	—
Siamese, ...	—	1	—	—	(new ship)	—
Belgian, ...	—	4	—	4	—	14,787
Finnish, ...	—	1	—	—	(entered under Br. flag)	
Greek, ...	—	1	—	1	—	3,437
Total.	1,018	1,071	9,859	10,806	17,109,051	18,319,722

KOWLOON-CANTON RAILWAY.

All the through express trains between Kowloon and Canton continued to be hauled by the British Section engines daily throughout the year with the exception of two periods in May and December, totalling 37 days.

Monthly general revenues showed a steady and healthy increase, and by the end of the year General Revenues had amounted to $890,744.54 against $820,994.90 for the previous year.

General Revenues exceeded Working Expenses by the very satisfactory sum of $138,767.19.

Liabilities under Capital decreased by $82,824.53 under Main Line.

The Fanling Branch Line equipment unsold was written down to market value, the land handed back to the Government and the value written off the Capital Account. Other items were also written off and debited to Loss on Property Retired.

Additions to Capital were light as there were no heavy engineering works. The principal items were—New Siding at Fanling $4,902.55; New Painting Shop $5,289.40; new machines for Workshops $1,914.96, and other small items, the total Special Expenditure chargeable to Capital being $16,154.09.

Revenues from Rents, which in 1928 amounted to $7,728.57, declined to $5,651.75.

The typhoon of August 22nd did considerable damage to roofs and fencing, but no special vote was required for repairs.

Permanent Way and Structures, Rolling Stock and Plant were maintained as usual.

An unfortunate collision at Shek Tan on the Chinese Section, resulted in considerable damage to a British Section engine, but no serious injury was caused to passengers

The total train mileage amounted to 288,056 miles, being 4,289 less than last year. This includes trains run over the Chinese Section to and from Canton.

8,280 reinforced concrete sleepers were manufactured and 4,192 were laid in the track as renewals. In addition, 735 bridge and other timbers were renewed.

POST OFFICE.

Mails.—The number of mail receptacles of Hong Kong origin despatched during the year was 43,725 as compared with 35,517 in 1928—an increase of 8,208; the number received was 48,579 as compared with 45,202—an increase of 3,377.

Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 180,579 as against 175,492 in 1928—an increase of 5,087.

Registered Articles and Parcels.—The number of registered articles handled amounted to 848,135 as compared with 806,980 in 1928—an increase of 41,155.

The figures for insured letters were 19,050 and 17,430 respectively—an increase of 1,620.

Parcels, ordinary and insured, which were dealt with reached total of 411,165 as against 423,880 in 1928—a decrease of 12,715.

WIRELESS.

The year 1929 saw further considerable advance, made in the reorganisation and establishment on a sound basis of the wireless services of the Colony.

The Kowloon Royal Observatory station is now used as the receiving station for the ship services and as a distant reception station for the Radio Telegraph Office. The Observatory Station operates by remote control the transmitters installed at Cape D'Aguilar which are used for the ship services. The station is also used for the reception of time signals, and long distance weather reports.

Cape D'Aguilar is now a grouped transmitter station for ship services and for point to point transmitters. Reception is not carried on at this station, operation and control of transmitters being done by remote control from the Radio Telegraph Office and the Observatory Station.

Early in the year a new site for a wireless station, to be built and organised on the most up to date lines, was chosen at Victoria Peak. A considerable amount of progress has already been made in the erection of station buildings, masts etc., and two transmitters are already installed there, one working on 350 metres for broadcasting musical programmes, weather reports, news bulletins etc. and the other one working on 49 metres for communication with points in South China and French Indo-China. The station which is still in course of erection will, when completed, accommodate high power short wave long distance transmitters for commercial working with practically all parts of the world. The call signal of Victoria Peak Wireless Station is ZBW and its position is Lat. 22°16′ 38″.56 N., Long. 114°08′ 31″.95 E.

The Radio Telegraph Office on the Ground Floor of the new P. & O. Building is the controlling station for all services. R.T.O. operates by remote control the transmitters installed at Cape D'Aguilar and Victoria Peak which are used for fixed point services, carries on direct and indirect reception, and accepts and distributes radiotelegraphic traffic. Commercial wireless telegraph services are maintained between numerous points in South China, North China, French Indo-China, Siam, British North Borneo, Yunnanfu, Philippines, Dutch East Indies, Dutch Borneo, American Continents, Europe, etc.

The revenue collected by the Post Office during the year from radiotelegrams amounted to $162,517.66 an increase of $20,639.21 on the amount collected in 1928.

Advices of vessels signalled at the Lighthouses yielded $1,021.00, Semaphore messages, $3.60 and Wireless Receiving Station Licences $482.31. The total Revenue from the Telegraph Service amounted to $162,999.97.

The number of paid radio-telegrams forwarded during the year was 72,153 consisting of 708,282 words against 38,422 consisting of 322,041 words in 1928, and 85,571 were received consisting of 817,571 words against 51,951 consisting of 178,109 words, representing a total increase in the number of messages of 74%, and words 91%.

In addition to the paid traffic figures given above the wireless service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 396 messages 222,088 words from Rugby, the collection and distribution of meteorological traffic, having forwarded 4,297 messages 272,985 words, and received 10,915 messages 219,441 words, the reception of Saigon Health Bulletins once weekly, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages etc., etc.

CABLES.

The Eastern Extension Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provide good connections with Europe *via* India, with Australasia, and with the other British Colonies and possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; and the system of the Great Northern Telegraph Co. gives a good service to Europe *via* Asiatic Russia.

TELEPHONES.

Telephonic communication, provided by the Hong Kong Telephone Co., is available to most parts of the Colony.

VI.—Justice, Police and Prisons.

Serious crime in 1929 shewed a slight increase over 1928—5349 cases against 5201. Minor crime showed an increase 15792 cases against 14409 cases in 1928. There was an increase in House and Godown Breaking, Larcenies and Robberies, but a decrease in Larceny in Dwelling, Larceny on Ships and Wharves and Burglaries. In the minor offences there was an increase of 1383.

There was an increase of 1 murder and 15 robberies. There was an increase of 7 robberies in the New Territories.

Arms.—There were 6 arms seizures of note during the year, the largest of which was on board S.S. Haiching where 111 Automatic pistols and over 11000 rounds ammunition were found.

The Arms Embargo was lifted on the 19th April.

Communism.—Communists were less active during the year than in 1928. There were no demonstrations but there was one murder which was the work of communists.

Labour Associations.—No Labour Guilds or Unions were proscribed during the year.

Piracy.—One piracy and one attempted piracy were recorded on steamships, the piracy being on the Japanese S.S. Deli Maru in September. Three Indian guards were shot and 4 passengers were kidnapped. Officers and guards were overpowered and were not able to put up any resistance. Of the 4 kidnapped persons 2 have been released.

The attempted piracy on the S.S. Hai Ching, in December, was frustrated by the action of the officers and guards on the ship. The pirates set fire to the ship. The 2nd officer was killed, and the 1st officer was wounded. 1 Indian guard was killed and 1 wounded. 9 passengers were known to have been killed by bullet wounds and 23 of the crew and passengers were wounded.

Three of the pirates were arrested and charged with piracy and murder. 3 others were detained for banishment. It is believed that none of the pirates, who numbered about 14, escaped; 5 or 6 were killed by the defenders and others jumped overboard.

There was a considerable decrease of piracies on junks during the year in waters adjoining the Colony. Piracy in the Canton River Delta also showed a decrease.

Gaols.—The total number of persons committed to Victoria Gaol was 5,779 as compared with 5,756 in 1928. Of these 1,117 were committed for criminal offences against 1,117 in 1928. Of committals for non-criminal offences there were 220 more for hawking without a licence, and 23 less for unlawfully cutting trees, than in 1928.

The daily average of prisoners confined in the Gaols was 1,075 the average for 1928 being 1,071 and the highest previous average being 1,116 in 1925. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter was 0.100. The average percentage for the last ten years was 0.123. Owing, however, to the large floating population, which is constantly moving between the Colony and Chinese Territory, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 700 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 475 prisoners.

The prison discipline was satisfactory, the average of punishments per prisoner being 0.46 as compared with 0.49 in 1928 and 0.52 in 1927.

Prisoners are employed at printing, book-binding, tinsmithing, mat-making, tailoring, carpentering, soap-making, gardening, etc. The bulk of the Government printing and book-binding is done in Victoria Gaol.

VII.—Public Works.

BUILDINGS.

During the year progress as stated was made on the following buildings:—

Hong Kong.—The extension of the Ball Room and other alterations at Government House, the erection of a Wireless Station at Victoria Peak, certain alterations to the Central Police Station and extensions to the Police Club at Happy Valley were completed. The Work of erecting new Water Works Workshops on the Praya East Reclamation was commenced in October and was well advanced at the end of the year.

The 2 Public Trough Closets at Wilmer Street and Water Street and the addition of 6 pens to the Sai Wan Ho Pig Lairage were completed. The Public Latrine at the junction of Spring Garden Lane and Cross Street was nearing completion.

A number of minor works were also executed.

Kowloon.—The erection of a Lock-up Store at Yaumati Slipway, additional Latrine accommodation at the Police Training School, and the conversion of "Parkside" for use as a School were completed, and the formation of a Childrens Playground was commenced.

The Public Latrine and Bathhouse at Hung Hom was nearing completion and work on the site for the Maternity Block, Kowloon Hospital, was in progress.

New Kowloon.—The extension to Shamshuipo Market and the Public Latrine and Bathhouse at Shamshuipo were completed. The extension to Kowloon City Market was nearing completion and the Public Latrine and Bathhouse at Kowloon City was in course of erection.

COMMUNICATIONS.

Hong Kong.—The site formation and road construction for Village Houses at Wongneichong was completed. Road from Causeway Bay to Quarry Bay, section opposite M.L.'s. 430 and 431; Road Construction at Tai Hang; Barker Road Improvements, from Stubbs Road to Victoria Hospital, and Path to Cape D'Aguilar Wireless Station, 1st Section, were continued.

Two Bridle Tracks 9½ miles in length were constructed during the year:—

(1) on the South side of the Island, between Wanchai Gap and the road from Wongneichong Gap—Little Hong Kong.

(2) on the North side of the Island, between Wongneichong Gap and Mount Parker Road.

Kowloon.—Argyle Street Extension to a width of 60 feet was completed. Chatham Road Extension and Boundary Street, (section from Nathan Road to No. 8 Railway Bridge) were in course of construction.

Portions of new roads, an aggregate of 1 mile, were macadamized, kerbed and channeled adjoining new buildings erected during the course of the year.

New Kowloon.—In the widening of Castle Peak Road, half width of the roadway was completed. Extension of Roads in Kowloon Tong Development Area was in progress.

Kerbing, channelling and macadamising roads on the Kowloon Tong Estate was completed, the total length of new roads being 3¾ miles.

New Territories.—Patrol Path from Lin Ma Hang to Sha Tau Kok, Widening Path from Sheung Shui to Ta Ku Ling, Access and Patrol Path to Lo Wu Railway Station Block House, Widening road between Fanling and Sha Tau Kok were in progress.

DRAINAGE.

Hong Kong.—The reconstruction of Wongneichong Nullah, Section No. 4 (in front of Jockey Club Stands) was completed in October.

New sewers and storm water drains, including sewers on the Praya East Reclamation, were constructed to a length of 18,064 feet. Existing drains in the Wanchai district were reconstructed to a length of 2,786 feet.

Stream-courses were trained to a length of 1,897 feet.

Kowloon.—New sewers and storm water drains were constructed to a length of 22,261 feet.

Trenches were cut in connection with the anti-malarial campaign.

New Kowloon.—New sewers and storm water drains were constructed to a length of 7,202 feet.

Anti-malarial work was continued.

The construction of the nullah to connect streams North of hill area at Kowloon Tong was completed.

New Territories.—Various anti-malarial works were carried out at Taipo, and 329 feet of sewers were constructed at Taipo Market.

WATER WORKS.

Hong Kong.—A division wall inside the Albany Service Reservoir was constructed. Turbine and pump for Bowen Road Filters were ordered in England. Extension to Motor House was completed.

1,400 feet 12″ main were laid in Whitfield. 3,460 feet 6″ main were laid through University grounds and along Lyttelton Road and Breezy Path (East). 2,000 feet 6″ main were laid to new Tung Wah Eastern Hospital. Contract was let for North Point Service Reservoir and work begun.

Praya East Reclamation.—18,308 feet 6″, 408 feet 8″ and 2,756 feet of 15″ main were laid and the work completed as far as roads permitted.

Aberdeen Valley Scheme.—Contract was let for Upper Dam etc. and work commenced. Pipes, pumps and filtration plant were ordered in England. Surveys continued for other portions of the scheme.

Kowloon.—590 feet 3″, 230 feet 5″ and 2120 feet 6″ main were laid to keep up with development. 420 feet 10″ main were relaid in Pakhoi Street.

New Kowloon.—A new 6″ supply main 5,700 feet in length was laid from Wong Uk to Shamshuipo. 1,224 feet of 6″ main were laid elsewhere to keep up with development. Supply main consisting of 1,900 feet 4″ and 2,000 feet 3″ was laid to Diamond Hill. Kowloon Tong Estate supply completed, 740 feet 5″ and 780 feet 6″ laid. Special repairs to Kowloon Catchwater continued.

New Territories.—Lower intake was constructed across Shing Mun River for pumping.

Shing Mun Valley Scheme.—1st Section.—The laying of the 1st 24″ diameter Steel Main was continued. 11,800 lin: feet being laid during the year, bringing the total laid to date to 24,130 lin: feet.

Good progress was made with the Service Reservoir in the Sheklaipui Valley and the Eastern half was well forward by the end of the year.

A Contract was let for the Byewash Reservoir situated immediately below the existing Kowloon Dam and fair progress was made during the year.

Orders for a 12" diameter Steel Main were placed in England in June for a pipe line across the Harbour and pipes commenced to arrive in September. Actual laying commenced on 17th December.

2nd Section.—Surveys and investigations were continued.

RECLAMATIONS.

Hong Kong.—Praya East, about 90 acres, was completed.

A further reclamation of about 2½ acres was commenced at Shaukiwan.

New Kowloon.—Construction was continued on the sea wall to protect the Shamshuipo Reclamation. A length of about 1,400 lineal feet was completed.

The dumping of refuse at Cheung Sha Wan resulted in the reclamation of a total area of approximately 3 acres.

The work of bringing the Kai Tak Reclamation to finished levels was continued.

New Territories.—The Standard Oil Co. continued with the formation of a site at Lai Chi Kok. Progress with this work has been delayed owing to the failure of the sea wall.

PIERS.

Kowloon.—At Mong Kok Tsui, construction was commenced on a reinforced concrete ferry pier, 150 feet in length by 50 feet in width.

New Kowloon.—At Shamshuipo, the construction of a ferry pier, 150 feet in length by 50 feet in width, was commenced.

SLIPWAYS.

New Kowloon.—The construction of the slipway at the Kai Tak Reclamation was completed. The slipway is 380 feet in length at a grade of 1 in 20 and provides a depth of 6 feet at L.W.O.S.T.

VIII.—Public Health.

The estimated population of the Colony is as follows:—

(1) *Non Chinese*		18,150
(2) *Chinese*:—		
City of Victoria.	577,500	
Villages of Hong Kong	16,080	
Kowloon (and New Kowloon)...	296,480	
Population afloat (Junks & Sampans)	109,050	
New Territories	96,250	
Total Chinese population		1,125,360
Total Civil poulation		1,143,510

The population of Hong Kong is a very variable one and, owing to the large unstable, floating population, and to partial birth registration, no reliable means are available for estimation. For purposes of statistics, the estimated population of the New Territories has been subtracted.

The Crude Birth Rate for the year 1929 was 9.76 per 1,000; 9.56 per 1,000 among the Chinese Community and 19.3 per 1,000 among the non-Chinese.

These figures are very inaccurate and unreliable owing to incomplete registration of Chinese births (especially females) and immigration. There are signs, however, that registration is increasing among the Chinese Community. The non-Chinese rate is more trustworthy.

The Crude Death Rate was 16.77 per 1,000; 16.95 per 1,000 among the Chinese Community and 12.06 per 1,000 among the non-Chinese. As registration is essential before burial can take place the figures for deaths are much more accurate and reliable than those for births.

The ratio of Infantile Deaths (under 1 year) to total deaths for the year 1929 was 38.74%, the figures for 1928 and 1927 being 29.5% and 31.6% respectively.

The Zymotic Death rate was 1.36 per mille population.

The deaths from Notifiable Infectious Diseases in order of incidence were as follows:—

Disease.	Chinese	Non-Chinese	Total
1 Small Pox	852	2	854
2 Typhoid	54	7	61
Paratyphoid	—	—	—
3 Diphtheria	61	3	64
4 Cerebro Spinal Fever	18	2	20
5 Puerperal Fever	9	1	10
6 Plague	2	—	2
Totals	1,411	15	1,426

There was an epidemic of Smallpox in the last quarter of the year which is still in progress (February 1930); up to 31st December, 1929, there were 149 cases notified of which 119 or 79% have died.

The deaths from special Diseases and locally important causes were as follows:—

Disease.	Chinese	Non-Chinese	Total
Malaria	408	12	420 (1)
Beri-beri	564	2	566 (2)
Respiratory Diseases:—			
Tuberculosis (pulmonary) and Phthisis	2,137	21	2,158 (3)
Non-tubercular	5,221	27	5,248
Other forms of Tuberculosis	743	6	749
Venereal disease (Syphilis)	227	—	227
Dysentery	188	1	189
Heart disease & Heart failure	425	15	440
Infantile enteritis and Gastro-enteritis (under 1 year)	1,238	7	1,245

(1) Farther antimalarial work is needed in the Colony but many of the cases are likely to have been imported from China.

(2) There is considerable doubt as to the accuracy of these figures as the disease is by no means easy to diagnose or differentiate.

(3) The total figure for Respiratory Diseases and Pulmonary Tuberculosis is 7,406. The climate and conditions of the Colony are most inimical to cure.

The deaths reported in the Coroners' Returns (Chinese only) are as follows, classified according to age and sex:—

Age Periods.	Males	Females
1 Under 2 years	2,329	2,613
2 Over 2 years	1,047	493
Totals	3,376	3,106

Suicides and Deaths from Accidents or Violence amounted to 312:—

(i) Chinese	289
(ii) Non-Chinese	23

These figures include a very large proportion of dumped bodies, especially heavy among infants. This dangerous and revolting practice is hard to eradicate amongst an ignorant population.

There were 2 cases of human plague reported in 1929; one on 18th August and one on 2nd September, both being fatal.

Systematic rat catching was carried out throughout the year, the total number of rats and mice destroyed being 135,417, (Hong Kong 87,786, Kowloon 47,631). Of these 4 were reported from the mortuaries as Plague infected.

The routine work authorised under the by-laws for the Prevention of epidemic endemic and contagious or infectious disease was carried out throughout the year; 97,692 floors were cleansed in Hong Kong and 55,070 floors in Kowloon. Practically all premises were cleansed twice in the year, many were cleansed three times and a few four times. Systematic limewashing of all domestic premises within the areas specified which are occupied by the members of more than one family was similarly supervised, 29,785 floors being limewashed in Hong Kong and 19,202 in Kowloon.

These two measures ensure a fair standard of cleanliness among the poorer classes of the community.

There were 3 cases of hydrophobia (1 human and 2 canine) throughout the year; 109 dogs were placed under observation and 14 dog brains were examined by the Government Bacteriologist for evidence of rabies.

GOVERNMENT HOSPITALS.

Civil Hospital.—This hospital consists of three blocks and contains 212 beds in 23 wards. At times of pressure this number has been increased to 230 beds. 100 beds are allotted to the University Clinic. 5,108 In-patients were treated (4,995 in 1928). Of these 1,385 were under the Staff of the University (1,286 in 1928). The daily average number of patients was 178. Attendances at the Out-patient Department numbered 52,127. (56,947 in 1928). The greater part of the work of this Department is done by the Staff of the University.

Attached to the hospital is an isolated Maternity Hospital containing 21 beds. 807 patients were treated during the year (776 in 1928). All the patients, except a few treated by the Government Medical Officers, were under the care of the University Professor of Obstetrics and his assistants. Of those treated, 9 were Europeans and 798 Asiatics.

Mental Hospital.—The Hospital is situated close to the Civil Hospital and is under the direction of the Medical Officer in charge of that hospital. European and Chinese patients are separated, the European portion containing 14 beds in separate wards and the Chinese portion 18 beds.

290 patients of all races were treated during 1929 and there were 20 deaths.

The Infectious Diseases Hospital is situated on the western outskirts of the city—it is used mainly for the treatment of Small-pox. The Hospital contains 26 beds to which 40 patients were admitted (11 in 1928).

Victoria Hospital.—This hospital is situated on the Peak and consists of a Main Block and a Maternity Block.

There are 42 beds in the main block in which 506 patients were treated, and 22 beds in the Maternity Block in which 92 were treated.

Kowloon Hospital.—Situated on the mainland has 57 beds. 1,277 patients were treated in 1929 as compared with 1,204 in 1928.

TUNG WAH HOSPITAL (Government aided).

Number of beds	460
Number of patients treated in 1929	12,806
Number of patients treated in 1928	11,486

INFECTIOUS DISEASES BRANCH.

Number of beds	63
Number of patients treated in 1929	186
Number of patients treated in 1928	126

KWONG WAH HOSPITAL, KOWLOON, (Government aided).

Number of beds	292
Number of patients treated in 1929	9,065
Number of patients treated in 1928	8,822

The Hospitals are under the supervision of a Visiting Medical Officer who is a member of the Medical Department.

TUNG WAH EASTERN HOSPITAL (Government aided).

Number of beds	120
Number of patients treated in 1929	223

(Hospital opened November, 1929).

IX.—Education.

The total numbers of pupils at schools in the Colony, excluding the Police School, are:—

	Number of Pupils		Total
	English Schools	Vernacular Schools	
Government Schools	4,020	380	4,400
Military Schools	210	...	210
Excluded Private School	152	...	152
Grant Schools	4,620	987	5,607
Vernacular Schools, Urban District	...	36,407	36,407
Vernacular Schools, Rural District	...	5,747	5,747
Private English Schools	6,361	...	6,361
Technical Institute	598	...	598
Total	15,961	43,521	59,482

The chief Government Schools are Queen's College, King's College, and three District Schools for Chinese boys, the Belilios Public School for Chinese girls, the Vernacular Middle School and two Vernacular Normal Schools, and the Ellis Kadoorie School for Indians.

The Central British School and Kowloon Junior, Victoria, and Quarry Bay Schools for children of British parentage have an average attendance of 295. There is also a school for children of the Peak District with an average attendance of 57.

There are 6 Grant-in-Aid Anglo-Chinese Schools for boys and 6 for girls, and 4 Grant-in-Aid Vernacular Schools for girls.

The Hong Kong Technical Institute affords an opportunity for high education of students who have left school. Instruction was given in 1929 in Building Construction, Chemistry (Practical), Metallurgy, Physics, Electricity, English, Shorthand, Physical Instruction and Seamanship. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from members of the medical and educational professions in the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The expenditure of the Education Department in 1929 was $1,152,375.00 and the revenue collected from Government School fees was $185,659.90.

THE UNIVERSITY OF HONG KONG.

The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

The late Sir Hormusjee Mody bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile. The latest addition to the buildings is a workshop built out of a contribution from Sir Robert Ho Tung.

The annual income of the University now amounts to about $603,000 of which about $290,000 comes from endowments and $90,000 from Government. Messrs. Butterfield and Swire gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockfeller Institution has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000.

The annual expenditure now amounts to about $666,000.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D., and M.S., may be obtained for postgraduate work. The degrees above mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure arts and science, social science, commerce and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to securing the maintenance of the desired standard —which is in all three faculties that of a British University degree— external examiners are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is granted, *honoris causa*.

The site of the University was given by the Government of Hong Kong. As subsequently enlarged by minor grants and by purchase, the University estate covers an area of 709,789 sq. ft. The view from the grounds over the harbour is magnificent and the grounds are naturally beautiful.

In the main buildings are housed the chemical and physical laboratories, the University library and portions of the engineering laboratories. They further include the Great Hall, a Senate room and the lecture and class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of anatomy, physiology, pathology and tropical medicine, erected at the cost of Chinese gentlemen resident in the Colony. Clinical instruction is given at the Government Civil Hospital.

Special engineering buildings include:—

(*a*) a power station, with internal combustion engines of varied types which are maintained for instructional purposes;

(*b*) a primemovers (steam) and hydraulics laboratory, at present housed in a converted pumping station, formerly the property of the Government; and

(*c*) A workshop, for practical instruction of students.

Electrical machinery, electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include:—

(*a*) the Vice-Chancellor's Lodge
(*b*) Staff-quarters
(*c*) the resident hostels, and
(*d*) the University Union Building.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University or recognised hostel.

The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall.

Recognised hostels are at present three in number—Morrison Hall, situated immediately above the University grounds and conducted by the London Missionary Society, St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society and Ricci Hall. This hostel, situated in the Pokfulam Road, will be conducted by the Irish Jesuits. It is to be opened in the first month of 1930.

Each student occupies a separate room or cubicle, and there are the usual common rooms. Each University hostel is in charge of a member of the staff, as resident warden.

No University hostel at present exists for women students—whose right to admission to the University was first recognised in 1921: but some arrangements for the accommodation of a few women students in a rented building have been made by the authorities of St. Stephen's Girls' College, a Church of England girls' school which is near the University. The nuns of a neighbouring Italian convent are also prepared to house a few women students.

The tuition fee is $300—the hostel fee which includes board and lodging is $300. A student who is allowed to live in a hostel during a vacation—some have to because of their work, *e.g.* medical students, and others because their homes are too far away—pay at the rate of $8 a week. When a student joins he is required to deposit caution money to the extent of $25, and to pay a registration fee of $5. The annual subscription to the University Union is $20 and this covers the annual subscription to practically all the athletic clubs. The graduation fee is $25. Probably about $1,200 represents the minimum amount which at present prices would cover a student's annual expenses including vacations. It would cost a Chinese student who goes abroad $2,500 a year at the very least and this would not cover travelling expenses.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government. There are also scholarships provided by the Governments of Hong Kong, of the Straits Settlements and Federated Malay States.

The Union is the centre of the social life of the students. It is at once a Club and a centre of athletics. The Union Committee contains certain members of the University teaching staff, but its President and Secretary are undergraduates elected by the undergraduates. The undergraduate members of the Committee are also elected by their fellow students. There is a Union magazine with English and Chinese sections. The editors are students, a member of the teaching staff acting as assistant editor. There are thirty-eight women students; these women students are all members of the Union.

Students of the University come from Kwangtung, Ho Pe, Hankow, Hupeh, Yunnan, Hunan, Shanghai, Pekin, Fukien, Singapore, Penang, Kuala Lumpur, Kedah, Jahore, Java, Manila, Burma, Siam, Japan, India and Macao. The present enrolment is 315 of whom 266 are Chinese and 49 non-Chinese.

X.—Lands and Surveys.

Land Grants and General Value of Land.

(1). The amount of premium received from Sales of Crown Land and Pier Rights, exclusive of the New Territories, during the year 1929 was $1,378,301.74 an increase of $186,624.38 on the preceding year, and $662,890.74 more than the average of the previous five years. The principal items were $136,000.00 for Kowloon Inland Lot No. 2175 and $102,000.00 for Kowloon Inland Lot No. 2205.

(2). The amount of premium received from Sales of Crown Land and Pier Rights in the New Territories during the year under review was $548,312.25 being an increase of $110,561.71 on the preceding year, and $360,712.57 more than the average of the preceding five years. The principal items were $30,010.00 for New Kowloon Inland Lot No. 1274 and $25,708.00 for New Kowloon Inland Lot No. 1285.

(3). The foregoing increases indicate a further gradual and welcome return to normal conditions.

The total area of land leased during the year was 455 acres 1 rood and 13-1/5 poles which is a slight decrease on the preceding year.

The total area resumed re-entered and surrendered was 279 acres 3 roods and 32-2/5 poles.

In Hong Kong and Kowloon there was a steadily growing demand for building sites whilst in the Northern District of the New Territories there was little demand for house sites in the development areas but in the villages construction of new houses goes on steadily and there was a fair demand for agricultural land.

There is little to report with regard to the Southern District of the New Territories beyond an increase in the demand for house sites at Cheung Chau which cannot be met until the Reclamation is made, and an increase in the building of new houses at Tai O.

XI.—Labour.

Trade in general remained very dull during the year and with the factories still working much below their full capacity, there was no increase in the number of women and children employed. The knitting factories in Kowloon and the cigarette and perfumery factories in Hong Kong are the largest employers of women and girls, such work being peculiarly suitable for female labour. Several glass factories closed down during the year owing to lack of trade and the high price of coal.

The Industrial Employment of Children Ordinance No. 22 of 1922 was amended by ordinance No. 24 of 1929, and its scope extended to include women and young persons as well as children. The most important regulations made under the amended ordinance are those prohibiting the employment of women in certain dangerous trades and also in any factory between the hours of 10 p.m. and 6 a.m.

The year 1929 was remarkably uneventful as regards labour troubles, not a single strike in which more than very few workers were engaged having taken place. A strike threatened amongst the lightermen at the Kowloon Godowns in July, but the trouble came to an end when the masters granted a slight concession in the matter of night-work pay.

There are known to exist in the Colony 150 labour Guilds, with a total membership of over 100,000, but one-third of this figure would probably represent the number of active members. With one or two exceptions Guild activities seem to be at a low ebb, and the interest taken in their Guilds by so-called members is very slight. The supply of labour in the Colony is good, possibly as a result of trouble in the adjacent provinces, and the Guilds are still financially crippled as a result of the 1925 strike. Guilds in Canton are kept under close surveillance by the Government, and this has probably also had a beneficial effect on those in Hong Kong.

In August, 1929, there appeared evidence of the existence of a communistic organisation known as the Hong Kong Kung Toi Wui (Hong Kong Labour Representatives' Union), which made a systematic attempt to stir up trouble among various bodies of workers, though most of the Guilds remained impervious to its influence. It was eventually located on the 29th September, and of 50 persons then arrested 19 were finally banished. Documents seized proved that it aimed to revive the Hong Kong General Labour Union as an organisation on communist lines carrying on a political agitation against the Government of China.

The Tobacco Workers' Union closed down during the year following the discovery of communist propaganda on its premises and an attempt to injure the manager of a cigar factory by throwing vitriol on him from behind.

XII.—Legislation.

Thirty-four Ordinances were passed during 1929. The most important were the following.

The Tobacco Ordinance, No. 3, abolished the system of manufacture of tobacco in bond and introduced the principle of taxation on the raw material on importation.

The Hongkong and Shanghai Bank Ordinance, No. 6, consolidated and amended the provisions of two Ordinances and of the deed of settlement of 1867. The principal changes are that the powers of the Bank have been increased in accordance with modern developments, and that the Bank is now incorporated for an indefinite period instead of for a limited time.

The Offences Against the Person Amendment Ordinance, No. 13, attempts to legislate for a matter which has been discussed on and off for five years. Section 3 of the Ordinance makes it an offence to take any part in any transaction the object of which is to transfer the possession or control of any minor under eighteen for any valuable consideration, unless the accused can prove that the transaction was *bonâ fide* and solely for the purpose of a proposed marriage or adoption in accordance with Chinese custom. This is an endeavour to strike at the traffic in children. The cases of *bonâ fide* marriage and adoption according to Chinese custom are excepted because money does pass on those occasions, and though the payment of money confers no rights over the minor in Hong Kong law yet it is obviously undesirable to make criminal regular and unobjectionable customs observed by a large part of the population of the Colony.

The British Mercantile Marine Uniform Ordinance, No. 19, prohibits the improper use within the Colony of the British Mercantile Marine uniform prescribed by Order of His Majesty in Council. It is based on the British Mercantile Marine Uniform Act, 1919, 9 and 10 Geo. 5, c. 62.

The Protection of Women and Girls Amendment Ordinance, No. 21, made various minor alterations in the principal Ordinance, some with a view to strengthening the hands of the authorities in dealing with the traffic in women and girls, and some in order to get rid of certain difficulties and inconsistencies which then existed in the legislation of the Colony.

The Female Domestic Service Amendment Ordinance, No. 22, made various detailed amendments in the principal Ordinance in order to increase its efficiency. Perhaps the most important provision of the Ordinance is one which provides that in every prosecution under the principal Ordinance it shall, until the contrary is proved, be presumed that the girl in question was a mui tsai in the employment of the accused at the time of the alleged offence. This may appear to be drastic, but the difficulties of proof are enormous. In order to prove that a girl was a mui tsai it might be necessary to prove a payment made years ago, outside the Colony, to persons of whom all trace has been lost, and in the absence of the girl herself. On the other hand, the accused should find it comparatively easy to prove the real status of any girl in his household, and the burden is therefore less heavy than it might appear. It must also be remembered that the consent of the Secretary for Chinese Affairs is required for any prosecution under the Ordinance.

The Industrial Employment of Women, Young Persons and Children Amendment Ordinance, No. 24, is intended as a further step in the improvement of factory conditions in the Colony. Such improvement must be slow and gradual, and it is very difficult in such matters to travel far ahead of neighbouring countries. The principal effect of the Ordinance is to include women and young persons within the scope of the principal Ordinance so that their employment in factories, as well as that of children, can be regulated.

XIII.—Miscellaneous.

EMIGRATION AND IMMIGRATION.

Two hundred and twenty seven thousand five hundred and twenty-three (227,523) Emigrants left Hong Kong for various places during the year 1929; of these 114,323 were carried in British ships and 113,200 in Foreign vessels.

One hundred and eighty five thousand three hundred and ninety (185,390) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this Colony or from Coast ports as against 187,847 in 1928. Of these 103,261 were brought in British vessels and 82,129 in Foreign vessels.

Statement of number of emigrants to Straits Settlements 1920-1929 as compared with total number of emigrants from Hong Kong.

	To Straits Settlements.	Total No. of Emigrants.
1920	43,935	105,258
1921	87,324	156,011
1922	50,356	98,393
1923	65,584	120,224
1924	75,682	129,859
1925	97,552	140,534
1926	157,285	216,527
1927	202,408	285,593
1928	169,741	257,162
1929	146,516	227,523

INSTITUTIONS.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Po Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Po Leung Kuk Society was founded in 1878 to aid in the detection and suppression of kidnapping, especially of girls and women, and to shelter such girls or women as had been kidnapped in the interior and brought to Hong Kong for sale or emigration. Its name means "institution for the protection of good women." The initiative in its formation came from the Chinese themselves, and ever since by subscription and personal service, they have continued to support it.

There is a paid Chinese staff-matron, amahs and nurses, and two clerks who are secretaries to the managing committee. This Committee meets every evening from Monday to Friday at 7 p.m. the principal meeting of the week being held at 12 noon on Sunday. It not only manages the Po Leung Kuk, but acts as an advisory committee to the Secretary for Chinese Affairs, in all cases affecting women and children, and Chinese family life generally, which are often extremely difficult and tedious. It corresponds when necessary with charitable institutions and private persons in various parts of China, traces parents of lost children or ill-treated mui tsai, and shelters for the night any Chinese woman or girl who chooses to go. When parents or relations cannot be traced, the Committee arranges for the girls in its care to be given in marriage (never as concubines) or in adoption, always under bond and always with the consent of the Secretary for Chinese Affairs, and in every case that officer ascertains the girl's willingness before giving consent to either adoption or marriage.

In addition to the annual Committee appointed by co-option there is a Permanent Committee, which serves to maintain continuity of policy, and of which the Secretary for Chinese Affairs is the ex-officio chairman.

The number of inmates of the Po Leung Kuk on 1st January, 1929, was 61 and during the year 636 persons were admitted as against 622 in 1928.

The Chinese Public Dispensaries' are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The Government makes an annual grant of $2,000, and the rest of the cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

The Tung Wah Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives annual grants from the Government amounting to $20,500. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies; Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends.

The hospital is managed by a committee of Chinese gentlemen annually elected, their appointment being submitted to the Governor for confirmation.

The Eastern Branch of the Tung Wah Hospital at Sookunpo was formally opened by His Excellency the Governor on November 27th. The building which was erected and equipped at a cost of over $300,000 is in every way a credit to the promoters of the scheme and to the Chinese community generally which contributed 95% of the funds required for the purpose.

The Kwong Wah Hospital opened in 1912 is situated on the Kowloon Peninsula at Yaumati. It is similar to the Tung Wah Hospital with which it is closely affiliated and is managed by its own committee of directors under the guidance of the parent institution. About 50% of its expenditure is met by grants from government and the balance from endowments and voluntary subscriptions. During the year a new block of four storeys was erected for the accommodation of maternity cases at a cost of some $60,000.

EMPIRE MARKETING BOARD PUBLICATIONS.

Note on the work of the Board and Statement of Research and other Grants approved by the Secretary of State from July, 1926, to March, 1930. Cmd. 3637.	6*d*. (7*d*.).
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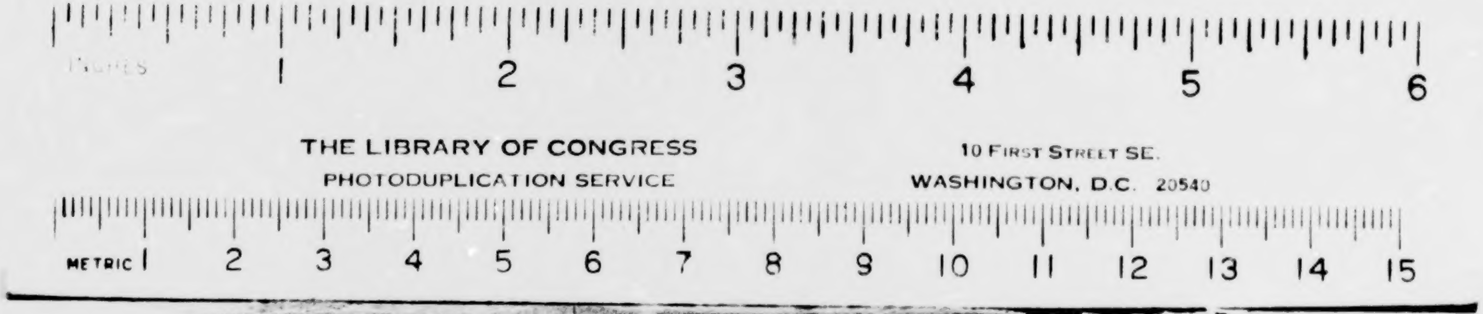
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No. 1558.

HONG KONG

REPORT FOR 1930

(For Report for 1928 see No. 1472 and for Report for 1929 see No. 1494, Price 1s. 6d. each.)

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History and Geography.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22°9′ and 22°17′ N. and longitude 114°5′ and 114°18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

The island was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 315 square miles.

The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya, and elsewhere. It is also the natural distributing centre for imports into China from abroad.

The Colony is not to any extent a manufacturing centre, its most flourishing industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings.

The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95° or falls below 40°. The average rainfall is 83.14 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere is often very high, at times exceeding 95%, with an average over the whole year of 77%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

The rainfall for 1929 was 69.82 inches and for 1930 96.08 inches of which 28.24 inches fell in September. The mean temperature of the air was 72°4 against an average of 71°9. The maximum wind velocity was 83 m.p.h. from E.S.E. on July 24th, when a typhoon passing near Macao produced a strong gale at Hong Kong.

The currency of the Colony is based on silver and consists of the British dollar of one hundred cents.

Bank notes issued by the Hong Kong and Shanghai Bank, the Chartered Bank of India, Australia and China, and the Mercantile Bank of India are also in circulation, together with silver subsidiary coinage of the value of 5, 10, 20 and 50 cents, and one cent pieces in bronze. The average rate of exchange of the dollar during the year was 1/4.36

I.—General.

At the close of the year 1929 the accounts of the Colony showed a surplus of $9,662,852 and the balance at the end of 1930 was $9,361,680. Thus the year's working resulted in a deficit of $301,173 which was due to the abnormal financial conditions ruling in 1930. The steady depreciation of the sterling value of the dollar from 1/6.83 in January to 1/1.69 in December added to the difficulties of the situation.

In the neighbouring provinces desultory fighting continued throughout the year between the Cantonese forces with their base at Wuchow and the various Kwangsi factions with their headquarters at Nanning. The situation was relieved by the victory in the autumn of the Central Government over the North Western provinces and by the end of the year a settlement appeared to be in sight. Meanwhile the preoccupation of the authorities with the civil war has fostered the growth of what may prove a serious menace. Large areas of South and Central China are occupied and controlled by irregular organisations called by themselves 'Red armies' and by the Chinese authorities 'communist-bandits'.

The office of Chairman of the Kuangtung Provincial Government was held throughout the year by His Excellency General Chan Ming Shü, and no changes of importance occurred in official posts.

Two major piracies occurred during the year, those of the British S.S. "Helikon" and the Norwegian S.S. "Hirundo". The provincial government of Kuangtung has now established a naval station with a permanent piracy patrol of three gunboats in Bias Bay, and is constructing a wireless station there.

A disastrous accident occurred on board H.M.S. "Sepoy" on April 8th while she lay off Hong Kong, through the explosion of a depth charge, which resulted in the death of six of her complement.

The Colony was struck by the fringe of a typhoon on July 24th and some small damage was occasioned by landslides. Over seven inches of rain fell within 24 hours.

In January the Opium Commission of the League of Nations under the Chairmanship of Mr. E. E. Ekstrand arrived in the Colony and in April a conference of Far Eastern Meteorologists under the chairmanship of Mr. T. F. Claxton was held in Hong Kong.

His Excellency the Governor Sir Cecil Clementi, K.C.M.G., left on February 1st to assume the governorship of the Straits Settlements. He was succeeded by His Excellency Sir William Peel, K.B.E., C.M.G., who took the oath of office on May 9th. During the interval the Government was administered by the Honourable Mr. W. T. Southorn, C.M.G.

Sir Joseph Kemp, Kt., K.C., C.B.E., succeeded Sir Henry Gollan, Kt. K.C., C.B.E., as Chief Justice of the Supreme Court.

Distinguished visitors to the Colony during the course of the year included:—

- T. I. H. Prince and Princess Takamatsu of Japan.
- H. H. Prince Purachatra of Siam.
- Mr. T. V. Soong, Finance Minister to the National Government of China.
- His Excellency General Chan Ming Shü, Chairman of the Kuangtung Provincial Government.
- His Excellency Senor Tamagnini de Souza Barbosa, Governor of Macao.

The Honours conferred by His Majesty the King on residents of Hong Kong included

Vice-Admiral Sir A. K. Waistell, K.C.B.
Mr. D. W. Tratman, C.M.G.
Rear-Admiral R. A. S. Hill, C.B.E.
Mr. R. M. Dyer, C.B.E.
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Mrs. L. Morris, M.B.E.
Mr. F. C. Dixon, M.B.E.
Mr. A. D. Johnson, M.B.E.
Lieut. W. R. Stevens, M.B.E. (Military).
Mr. A. de Mello, Honorary M.B.E.

II.—Finance.

The total revenue for the year amounted to $27,818,473 exceeding the Estimate by $5,105,553 and the revenue for 1929 by $4,263,998.

There were increases under all heads over the 1929 collections; the most notable being:—Assessed Taxes $211,164; Liquor Duties $190,954; Tobacco Duties $347,098; Post Office $371,512 and Premia on New Leases $928,726.

Owing to the low exchange Tobacco Duties were raised in June and Postal Rates in August. A tax of 15 cents per gallon was levied on motor spirit in July.

Increased Premia paid and more Land Sales resulted in a total collection under Land Sales of $2,864,897 against $1,936,171 for the year 1929.

The expenditure for the year amounted to $28,119,646 being $851,131 more than the estimate and $6,136,389 more than the expenditure in 1929.

Several works provided for in the Estimates were postponed or curtailed thereby effecting substantial savings under Public Works Extraordinary, Public Works Recurrent and Kowloon Canton Railway.

On the other hand nearly all other heads of expenditure showed an excess over the estimates mainly as a result of the adoption of the Salaries Commission Report coupled with the fall in the sterling value of the dollar.

The following is a statement of Revenue and Expenditure for the last five years.

Year.	*Revenue.*	*Expenditure.*
1926	$21,131,582	$23,524,716
1927	21,344,536	20,845,965
1928	24,968,399	21,230,242
1929	23,554,475	21,983,257
1930	27,818,473	28,119,646

Public Debt.—The amount of the Public Works Loan (1927) which is repayable in 1932, is $4,927,000. The Sinking Fund amounted to £[illegible]749.

The Inscribed Stock Loans of 1893 and 1906 due for repayment in 1943 stood at £1,485,733 and Sinking Fund at £719,664.

Trade Loan:—Further 36 loans amounting to $1,280,842.65 were redeemed during the year thus reducing the number of the loans outstanding on 31st December, 1930, to 32 representing a sum of $2,064,181.75.

A list of the average monthly exchange rates is appended:—

Month.	*Sterling.*	*Taels.*
January	1/6.8376	78.8333
February	1/6.1698	78.6413
March	1/5.7762	78.2115
April	1/6.0534	78.4782
May	1/5.4123	78.5833
June	1/3.1552	81.3586
July	1/3.1511	82.7307
August	1/3.5718	83.6354
September	1/3.6850	80.4400
October	1/3.5174	80.2870
November	1/3.2955	80.1354
December	1/1.6924	77.7282

III.—Production.

FORESTRY, AGRICULTURE AND BOTANY.

Formation of Plantations.—Increased plantings of *Pinus Massoniana* were again carried on in areas which have been definitely allocated as forestry reserves and water catchment areas. 20,000 more trees were planted than in the previous year.

Insect Pests.—Pine Tree Caterpillars (*Dendrolimus punctatus*) did serious damage in the Pine plantations, chiefly in the New Territories; the total weight of those collected and destroyed amounted to 17,472 pounds.

Protection of Plantations.—No serious fires in planted areas occurred during the year. A number of new fire-barriers were made.

Inspection of Nursery Stock.—158 consignments of Narcissus bulbs (*Narcissus Tazetta*), dried vegetable products and Sugar Cane were inspected and certified as fit for export to Britain, Holland, Germany, Australia, Canada, United States of America (including Hawaii) and Philippine Islands, Fiji and the Straits Settlements.

Cultivation of Foreign Vegetables.—A slight increase in cultivation of these vegetables, for which there is a steady demand locally, was recorded during the year both on the Island and in the New Territories.

Typhoon Damage.—The amount of damage during the year was negligible.

FISHERIES.

A considerable proportion of the boat population of Hong Kong supports itself by deep-sea fishing, in which pursuit a large number of junks are engaged. The villages of Aberdeen, Stanley, Shaukiwan, and also many in the New Territories, are largely dependent upon this industry for their prosperity. Fresh water fish is imported from Canton and the West River. There are oyster beds of considerable value in Deep Bay.

MINING.

The mineral resources of the Colony are inconsiderable. A little wolframite was produced in 1930 as well as a small quantity of kaolin. Iron, lead and silver mines exist and have been worked from time to time.

MANUFACTURES.

Sugar.—Throughout 1930 Hong Kong, as a refining centre, laboured under the same difficulties that beset all holders of sugar stocks, *i.e.*, steadily declining raw sugar markets. On the other hand, China, Hong Kong's biggest market, suffered even more than usual from civil war and communistic outbreaks, with consequent disruption of normal trading conditions. Selling was further rendered difficult by the rapid decline of silver, thereby reducing China's buying capacity through the depreciation of her currency value. Statistics reveal that low prices actually brought about some increase of quantity handled, but many dealers were forced to close their doors. The year closed on a strong market due to feverish endeavours to anticipate China's new Customs Tariff.

It is anticipated that the new scale of protective duties enforced on sugar as from 1st January, 1931, will adversely affect the volume of imports in this commodity.

Hosiery.—There are established in the Colony over a score of Chinese-owned factories for the knitting of cotton hosiery and singlets. Generally speaking, the turnover in locally manufactured knitted goods is estimated to be similar to that of 1929, and considering the conditions prevailing this can be taken as very satisfactory. The best outlet for the low grade cotton socks is

India, and in view of the very disturbed conditions in that market a considerably decreased business was anticipated. The better class socks are mainly used locally and in Java and the Straits. The two last-named markets have been extremely depressed and the outlets up-country, particularly Kuangsi, have been partially closed. The trade in higher grade singlets has been distinctly good and the position leads one to believe that with more normal conditions in the East generally, this industry should develop appreciably.

Ginger.—A dozen ginger-preserving establishments deal with the raw product which is imported from South China and supplied principally to Great Britain, Holland, the U.S.A. and Australia, to the extent of about £300,000 annually. Although the low exchange value of the Hong Kong dollar led to correspondingly low prices in terms of gold, the volume of trade during 1930 was no greater than in normal years, due principally to industrial depression abroad and the accumulation of stocks. An additional adverse factor as regards the London market was the large number of claims on shipments during the early part of the year.

Rope Making.—There was a normal demand for locally manufactured rope during 1930, no special features being met with in this industry.

SHIPBUILDING.

Four ocean-going vessels, one coasting steamer, one river steamer and seventeen smaller craft were built in local dockyards during 1930.

IV.—Trade and Economics.

The steady decline in the exchange value of the Hong Kong dollar, due to the drop in silver values greatly restricted imports in all lines during 1930, particularly during the first six months when demand was principally met by stocks imported during 1929 and earlier at more favourable exchange rates. Carry-over of stocks to next year is therefore negligible.

The buying season for Fancy Cotton Piece Goods, which usually opens about April/May was delayed until the end of July when, as exchange showed no sign of improvement, dealers began catering for Spring, 1931, requirements. Notwithstanding the low rate of exchange, an appreciable business was done, mainly owing to much reduced Lancashire costs offsetting to some extent the low exchange. The volume of business booked in woollens was much smaller than that of previous years, the falling off being most marked in the Shoddy and Mixture (Wool and Cotton) sections.

The decreased purchasing capacity of the individual consumer in China as a result of the decline in silver values has militated against the sale of many goods of British manufacture which are of better quality but more expensive than those of competitors.

The value of imports into Hong Kong for the nine months ended 31st December, 1930, (the Statistical Department was reinstituted as from 1st April) totalled $455,464,599 (£29,889,864). Total value of exports amounted to $356,824,278 (£23,416,593). Figures for the corresponding period in 1924 (the latest year in respect of which comparison is possible owing to the closure of the statistical department during the intervening period) are as follows: imports—$443,078,342 (£52,846,323); exports—$380,153,720 (£45,341,251).

The comparison is the more unfavourable if from the 1930 import figures is subtracted the value of imports from South China, Kwongchowan and Macao (approximately $60,000,000) which were not included in the 1924 figures. On the other hand, there has been a world-wide drop of approximately 25 per cent in wholesale prices, so that the sterling value of imports during 1930 represents a greater quantity of goods than an equivalent sterling sum in 1924.

V.—Communications.

Shipping.

The total Shipping entering and clearing Ports in the Colony during the year 1930 amounted to 94,090 vessels of 40,190,612 tons which, compared with the figures of 1929, shows a decrease of 206,487 vessels and a decrease of 4,995,569 tons.

Of the above, 49,609 vessels of 38,511,650 tons were engaged in Foreign Trade as compared with 52,574 vessels of 39,871,149 tons in 1929.

There was a decrease in British Ocean-going shipping of 13 vessels and an increase of 206,453 tons.

Foreign Ocean-going vessels show a decrease of 60 vessels and an increase of 858,613 tons.

British River Steamers showed a decrease of 185 vessels and a decrease of 340,386 tons.

Foreign River Steamers showed an increase of 668 vessels and an increase of 323,848 tons.

In Steamships not exceeding 60 tons employed in Foreign Trade there was a decrease of 1,108 vessels with a decrease in tonnage of 6,888 tons.

Junks in Foreign trade showed a decrease of 2,287 vessels and a decrease of 401,139 tons.

In Local Trade (*i.e.* between places within the waters of the Colony) there was a decrease in Steam Launches of 190,342 vessels and a decrease in tonnage of 4,755,085. This is caused by the omission of Ferries plying between Victoria and the mainland.

Junks in Local Trade show a decrease of 13,160 vessels and a decrease of 880,985 tons. Conservancy and dustboats were included in 1929 but have been omitted in 1930.

HONG KONG SHIPPING STATISTICS.

Year	Number & Tonnage of Vessels in Foreign Trade entered & cleared.			Total Shipping Entered and Cleared.	
	Number	Total Tonnage	Percentage of British Tonnage	British Tonnage	Total Tonnage
1918	43,436	16,955,332	41.7	7,672,021	29,518,189
1919	41,985	21,072,129	43.0	9,095,805	35,615,169
1920	43,364	24,194,022	43.8	11,608,069	40,122,527
1921	52,222	27,852,616	44.5	12,766,492	43,420,970
1922	50,427	29,543,564	45.4	13,420,118	46,566,764
1923	[illegible] 900	35,947,534	47.0	16,920,491	53,402,239
1924	[illegible] 765	38,770,499	47.3	18,369,413	56,731,077
1925	[illegible] 336	32,179,053	47.6	15,321,935	49,520,523
1926	[illegible]0,231	28,371,104	51.5	14,730,846	43,796,436
1927	51,289	36,834,014	45.7	16,960,522	44,127,161
1928	52,278	37,640,694	46.6	17,562,442	44,883,765
1929	52,574	39,871,149	47.5	18,961,028	47,186,181
1930	49,609	38,511,650	48.8	18,827,095	40,190,612

A comparison between the years 1929 and 1930 is given in the following table:—

Class of Vessels	1929.		1930.		Decrease.		Increase.	
	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.	No.	Tonnage.
British Ocean-going.	1,734	11,151,152	1,721	11,357,605	13	...	...	206,453
Foreign Ocean going.	7,809	17,134,589	7,749	17,993,202	60	...	...	858,613
British River Steamers....	7,474	7,809,876	7,289	7,469,490	185	340,386	...	..
Foreign River Steamers....	1,601	561,061	2,289	884,909	...	...	668	323,848
Steamships under 60 tons Foreign Trade...	7,434	211,067	6,326	204,179	1,108	6,888	...	...
Junks, Foreign Trade.	23,522	3,003,401	21,235	2,602,265	2,287	401,139	...	...
Total, Foreign Trade.	52,574	39,871,149	49,609	38,511,650	3,653	748,413	668	1,388,914
Steam Launches, Local Trade.........	214,875	5,560,116	24,533	805,031	190,342	4,755,085	..	...
Junks, Local Trade.	*33,108	*1,754,916	19,948	873,931	13,160	880,985	...	...
Grand Total...	300,557	47,186,181	94,090	40,190,612	207,155	6,384,483	668	1,388,914
				Net.	206,487	4,995,569	...	...

* Including 18,012 Conservancy and Dustboats of 1,109,384 Tons.

KOWLOON-CANTON RAILWAY.

All the through express trains between Kowloon and Canton continued to be hauled by the British Section engines daily throughout the year with the exception of the first 7 days of January. This suspension was necessitated through damage to a bridge at Shek Ha on the Chinese Section.

Monthly general revenues showed a steady and healthy increase and by the end of the year General Revenues had amounted to $973,128.63 against $890,744.54 for the previous year.

General Revenues exceeded Operating Expenses by the very satisfactory sum of $133,106.47.

Additions to Capital were light as there were no heavy engineering works. The principal items were—Fencing $40,416.50; New Painting Shop $14,267.61; Locomotive Wheel Balancing Machines $7,975.85; Crankpin Turning Machine $4,577.00 and Water Cranes $4,888.45.

The Fanling Branch Line equipment unsold at the beginning of the year amounted to $15,815.15. During the year one Locomotive was sold and a small quantity of rails.

Revenues from Rents which in 1929 amounted to $5,651.75 increased to $6,512.29.

Three new express locomotives were obtained on behalf of the Chinese Section. These engines will remain in the possession of, and be worked by, the British Section until paid for. They were all erected by the middle of December, but will not be brought into use until the track on the Chinese Section is reconditioned.

The total steam train mileage run amounted to 305,913 miles. This includes trains run over the Chinese Section to and from Canton The Motor Coach mileage was 17,493 miles.

POST OFFICE.

Mails.—The number of mail receptacles of Hong Kong origin despatched during the year was 48,123 as compared with 43,725 in 1929—an increase of 4,398; the number received was 50,424 as compared with 48,579—an increase of 1,845.

Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 182,030 as against 180,579 in 1929—an increase of 1,451.

Registered Articles and Parcels.—The number of registered articles handled amounted to 842,678 as compared with 848,135 in 1929—a decrease of 5,457.

The figures for insured letters were 18,887 and 19,050 respectively—a decrease of 163.

Parcels, ordinary and insured, which were dealt with reached total of 428,849 as against 411,165 in 1929—an increase of 17,684.

WIRELESS.

The revenue collected by the Post Office during the year from radio-telegrams amounted to $431,390.68, an increase of $244,846.71 on the amount collected in 1929.

Advices of vessels signalled at the Lighthouses yielded $1,220.80, Semaphore messages $8.05. The total Revenue from the Telegraph Service amounted to $432,619.53.

Ship Station Licences yielded $1,568.75, Amateur Transmission Station Licences $150.00, Broadcast Receiving Licences $6,640.50, Dealers Licences $363.00 and Examination Fee for Operators' Certificates of Proficiency $206.00.

The number of paid radio-telegrams forwarded during the year was 132,432 consisting of 1,125,559 words against 72,153 consisting of 708,282 words in 1929, and 124,855 were received consisting of 1,161,115 words against 85,571 consisting of 817,571 words, representing a total increase in the number of messages of 63.12% and words 49.85%

In addition to the paid traffic figures given above the Wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 447 messages 242,326 words from Rugby, the collection and distribution of meteorological traffic, having forwarded 4,616 messages 290,283 words, and received 12,432 messages 245,415 words, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages etc., etc.

CABLES.

The Eastern Extension Telegraph Company (British) by means of three cables to Singapore, one direct and one each *viâ* Labuan and Cape St. James respectively, provide good connections with Europe *viâ* India, with Australasia, and with the other British Colonies and possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *viâ* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; and the system of the Great Northern Telegraph Co. gives a good service to European *viâ* Asiatic Russia.

TELEPHONES.

Telephonic communication, provided by the Hong Kong Telephone Co., is available to most parts of the Colony.

VI.—Justice, Police and Prisons.

Serious Crime in 1930 showed an increase over 1929—5,691 cases against 5,348. There was an increase of 40 cases in house and godown breaking, 20 burglaries and 341 larcenies. Murders stand the same as for 1929—22 cases. Robberies decreased by 55 cases, 47 in Hong Kong and 8 in the New Territories.

Minor crime showed an increase—19,250 against 15,792 cases in 1929.

Arms.—There were 26 arms seizures during the year, of which 19 were charge cases and seven no-charge cases. The only seizure of note was on board the S.S. "D'Artagnan" on 15th July, when Revenue Officers seized 168 Automatic Pistols of French make and 18,000 rounds of ammunition.

Communism.—There was a marked increase in the activities of Communists during the year and there were a few occasions, notably Communist Anniversaries, when demonstrations were attempted in the more populous districts of the Colony.

In June, the Siu Yat Po newspaper was suppressed by order of Government owing to its Communistic tendencies.

In December, a Chinese Detective (L.S.C. 384 Tse On) was shot and murdered by Communists in a Restaurant at Yaumati.

Piracy.—Two piracies were recorded on steamships, one being on the British S.S. "Helikon" owned by Messrs. Wo Fat Shing & Co., Hong Kong. The pirates boarded the ship as passengers and waited until the ship was about 132 miles south of Hong Kong. The attack was made during the early hours of the morning while all officers with the exception of two on watch, one on the Bridge and one in the Engine Room, were asleep. Resistance was impossible. No guards were carried on board. No shots were fired and no one was injured. The ship was taken to Bias Bay. Considerable cargo was stolen and sixteen persons, including the Compradore, were kidnapped.

The second was on the Norwegian S.S. "Hirundo". As in the first case, pirates boarded the ship as passengers. The attack was made about noon when the ship was about 130 miles south of Hong Kong. All officers were taken by surprise and were unable to offer any resistance. Guards are not carried on this ship. The pirates expected to find bullion on board; being disappointed in this respect they confined themselves to the officers and passengers: the latter being of the poorer class, the pirates' haul was comparatively small. A Chinese saloon waiter was wounded in the shoulder by a shot from a small firearm, and the 1st and 3rd Compradores were kidnapped. The ship was taken to Mirs Bay, and it is believed that the pirates went overland to Bias Bay.

Two piracies on junks were reported (one of which was a very doubtful report), against six during 1929. No piracies were reported in the Canton River Delta.

Gaols.—The total number of persons committed to Victoria Gaol was 6,493 compared with 5,779 in 1929. Of these 2,334 were committed for criminal offences against 2,056 in 1929. Of committals for non-criminal offences there were 155 more for hawking without a licence, and 11 more for unlawfully cutting trees, than in 1929.

The daily average of prisoners confined in the Gaols was 1,175, the average for 1929 being 1,075 and the highest previous average being 1,116 in 1925. The percentage of prisoners to population, according to the daily average of the former and the estimated number of the latter was 0.103. The average percentage for the last ten years was 0.121. Owing, however, to the large floating population, which is constantly moving between the Colony and Chinese Territory, the percentage of crime to population does not convey an accurate idea of the comparative criminality of the residents of the Colony. The Victoria Gaol has accommodation for 645 prisoners including patients in Hospital. The Branch Prison at Laichikok has accommodation for 475 prisoners.

The prison discipline, except for two agitations in Victoria Gaol, was satisfactory, the average of punishments per prisoner being 0.33 as compared with 0.46 in 1929 and 0.49 in 1928.

Prisoners are employed at printing, book-binding, tinsmithing, mat-making, tailoring, carpentering, soap-making, gardening, etc. The bulk of the Government printing and book-binding is done in Victoria Gaol.

VII.—Public Works.

The following works were executed during the year 1930:—

BUILDINGS.

COMPLETED—*Hong Kong.*—In the City the Public Conveniences at the junction of Spring Garden Lane with Cross Street and at the junction of Water Street and Queen's Road West, also one outside the City at Aberdeen. Erection of an additional Transmitting Block at Cape D'Aguilar Wireless Station. A new P.W.D. workshop at Wood Road. A new cookhouse at Victoria Gaol. Alterations to Belilios School, Kennedy Town Police Station, and Sailors' Home.

Kowloon.—Erection of a garage for motor lorries at the Kowloon Disinfectant Station. Forming and levelling of the site for new Government Store at Hung Hom. Work on the site of the Maternity Block, Kowloon Hospital. New Garage at Kowloon Hospital. Public Latrine & Bathhouse at Hung Hom. Barrack Sheds for Police at Tsim Sha Tsui Police Station and a children's playground.

New Kowloon.—Market at Kowloon Tong. Extension to the Kowloon City Market. Public Latrine and Bathhouse at Kowloon City. Alterations to Field Cottage for use by the Flying Club.

UNDER CONSTRUCTION—*Hong Kong.*—Latrines over Bowrington Canal and at Davis Street. New No. 2 Police Station. New Market at Sai Ying Pun. Printing shop at Victoria Gaol.

Kowloon.—Erection of new Maternity Block, Kowloon Hospital

New Kowloon.—Site for a Female Prison at Lai Chi Kok. Erection of new Married Quarters for Warders at Lai Chi Kok.

New Territories.—Erection of a new school at Un Long

COMMUNICATIONS.

COMPLETED—*Hong Kong.*—Road from Causeway Bay to Quarry Bay. Tai Hang Development Road construction. Barker Road improvements. 1st section of the Path to Cape D'Aguilar. Widening of road connecting Garden Road & Bowen Road with May Road (Aigburth Hall). Widening of lower portion of Garden Road adjoining Murray Barracks. Extension to the Indian Recreation Ground. A new terrace in the Colonial Cemetery for burial purposes. Work of diverting and widening Ewo Street to its approved alignment.

Kowloon.—Boundary Street (section from Nathan Road to No. 8 Railway Bridge). An area cleared and surfaced between Jordan Road, Battery Street and Shanghai Street for Hawkers' stalls.

New Kowloon.—The greater part of Prince Edward Road kerbed and channelled, preparatory to laying improved surfacing for motor traffic. Widening of Nathan Road Extension Northward to Nan Chang Street. Surfacing of the New Castle Peak Road from Nan Chang Street to Wong Uk. Extension of Roads in Kowloon Tong Development area. Widening Castle Peak Road.

New Territories.—Patrol Path from Lin Ma Hang to Sha Tau Kok (section from Sha Tau Kok Village to No. 11 Boundary Stone). Widening Path from Sheung Shui to Ta Ku Ling. Access and Patrol Path to Lo Wu Railway Station Block House. Widening Road between Fan Ling and Sha Tau Kok.

UNDER CONSTRUCTION—*Hong Kong.*—Work of erecting new plant and offices at Tsat Tsz Mui Quarry. Surfacing roads on the Praya East Reclamation. Widening Gough Hill Road.

Kowloon.—Chatham Road Extension. Reconditioning and Strengthening of Nathan Road with 7" reinforced cement concrete. Alterations to the traffic arrangements at Tsim Sha Tsui.

New Kowloon.—Access Road to Christian Chinese Cemetery, Kowloon City. Castle Peak Road (section from Cheung Sha Wan to Lai Chi Kok).

New Territories.—Patrol Path from Lin Ma Hang to Sha Tau Kok (section from No. 11 Boundary Stone to Lin Ma Hang Village). Reconditioning of New Territory roads.

DRAINAGE.

Hong Kong.—New sewers & storm water drains, including sewers on the Praya East Reclamation and one at Deep Water Bay were constructed to a length of 19,603 feet. Existing drains in the Wantsai district were reconstructed to a length of 384 feet. Stream-courses were trained to a length of 3,314 feet

Kowloon.—Extension of one side wall and invert of nullah North of Shamshuipo Camp area, length 900 feet. New sewers and storm water drains were constructed to a length of 18,993 feet.

New Kowloon.—New sewers & storm water drains were constructed to a length of 7,038 feet.

New Territories.—Anti-Malarial work was continued.

WATER WORKS.

Hong Kong.—North Point Service Reservoir was completed with a capacity of 1,146 million gallons, excepting connecting main. Bowen Road turbines & pumps were finished and in use. The following mains were laid, *viz*:—1,482 feet of 12" in Shaukiwan Road; 1,164 feet of 15" in Ewo Street; 2,060 feet of 18" between Monument and Hennessy Road; 270 feet of 8" in Shaukiwan Road near Tai Hang, and 2,580 feet of 6" and 1,200 feet of 4" in Wongneichong Valley. The Aberdeen Village main was relaid in 4" for 1,044 feet. 600 feet of 6" main was laid in Kennedy Road East. 72 feet of 10" main was laid at junction of Johnston and Hennessy Roads, Praya East Reclamation.

Aberdeen Valley Scheme.—Work on the Upper Dam was continued and by the end of the year concrete had reached 285 A.O.D.

About two thirds of the 18" diam. steel supply main was laid by the end of the year and the tunnel at Sandy Bay Gap was about half completed.

Contracts for the Lower Pumping Station, East Gravity Filters at Elliot, and 1st section of the East Catchwater were let and works commenced.

Kowloon.—3,700 feet of 6", 1,143 feet of 4" and 500 feet of 3" mains were laid to keep up with development.

New Kowloon.—626 feet of 10", 1,046 feet of 8", 1,661 feet of 6" and 300 feet of 5" mains were laid to keep up with development.

New Territories.—Improvements to the Taipo supply main were made.

Shing Mun Valley Scheme.—The Eastern half of the Shek-laipui Service Reservoir was completed and brought into use and the Western half was nearly completed by the end of the year.

The 24" diam. steel main was completed and connections were made to the Kowloon distribution system at Gascoigne and Salisbury Roads.

The laying of the Cross Harbour Pipe Line was completed and connections made at Hong Kong and Kowloon. The laying of the submarine section took fifty-seven working days. The pipe line was in use throughout the Summer.

Works on the Byewash Reservoir was continued and the level of the concrete had reached 330 A.O.D. by the end of the year.

2nd section.—Surveys and investigations were continued.

RECLAMATIONS.

Hong Kong.—Shaukiwan reclamation, about 2½ acres was completed.

New Kowloon.—The covering of refuse dumped at Cheung Sha Wan by the Sanitary Department resulted in the extension of the reclamation by 3.34 acres bringing the total area now reclaimed to 10.7 acres. The work of bringing the Kai Tak Reclamation to finished levels was continued. The sea wall at Shamshuipo aggregating 1,580 lineal feet in length was completed and work on a further extension of the wall was commenced.

New Territories.—The Standard Oil Company continued with the formation of a site at Lai Chi Kok.

PIERS.

Hong Kong.—The construction of a pier 150 feet in length and 50 feet in width was commenced on the sea front near Wilmer Street.

Kowloon.—The construction of a pier at Mong Kok Tsui was completed less the roofing over the deck.

New Kowloon.—The construction of a pier at Shamshuipo made similar progress to that at Mong Kok Tsui.

VIII. Public Health.

The estimated population of the Colony is as follows:—

(1) *Non Chinese*		19,000
(2) *Chinese*:—		
City of Victoria,	592,100	
Villages of Hong Kong	17,000	
Kowloon (and New Kowloon)	307,250	
Population afloat (Junks & Sampans)	109,050	
New Territories	97,000	
Total Chinese population		1,152,400
Total Civil population		**1,171,400**

The population of Hong Kong is a very variable one and, owing to the large unstable, floating population, and to partial birth registration, no reliable means are available for estimation. For purposes of statistics, the estimated population of the New Territories has been subtracted.

The Crude Birth Rate for the year 1930 was 10.36 per 1,000; 10.19 per 1,000 among the Chinese Community and 19.89 per 1,000 among the non-Chinese.

These figures are very inaccurate and unreliable owing to incomplete registration of Chinese births (especially females) and immigration. There are signs, however, that registration is increasing among the Chinese Community. The non-Chinese rate is more trustworthy.

The Crude Death Rate was 15.14 per 1,000; 15.51 per 1,000 among the Chinese Community and 9.79 per 1,000 among the non-Chinese. As registration is essential before burial can take place the figures for deaths are much more accurate and reliable than those for births.

The ratio of Infantile Deaths (under 1 year) to total deaths for the year 1930 was 38.16%, the figures for 1929 and 1928 being 38.71% and 29.5% respectively.

The Zymotic Death rate was 0.36 per mille population.

The returns of the 1931 census were not available when these returns were compiled and the figures quoted represent an estimate only.

The deaths from Notifiable Infectious Diseases in order of incidence were as follows:—

Disease.	Chinese	Non-Chinese	Total
1 Small Pox	249	—	249
2 Typhoid	74	5	79
Paratyphoid	—	—	—
3 Diphtheria	41	—	41
4 Cerebro Spinal Fever	11	2	13
5 Puerperal Fever	10	1	11
6 Plague	—	—	—
Total	385	8	393

There was an epidemic of Smallpox in the last quarter of the year which is still in progress (February 1930); up to 31st December, 1929, there were 149 cases notified of which 119 or 79% have died.

The deaths from special Diseases and locally important causes were as follows.—

Disease.	Chinese	Non-Chinese	Total
Malaria	507	8	515 (1)
Beri-beri	635	—	635 (2)
Respiratory Diseases:—			
Tuberculosis (pulmonary) and Phthisis	1,969	25	1,994 (3)
Non-tubercular	4,391	27	4,418
Other forms of Tuberculosis	841	5	846
Venereal disease (Syphilis)	336	—	336
Dysentery	209	—	209
Heart disease & Heart failure	417	16	433
Infantile enteritis and Gastro-enteritis (under 1 year)	1,463	3	1,466

(1) Further antimalarial work is needed in the Colony but many of the cases are likely to have been imported from China.

(2) There is considerable doubt as to the accuracy of these figures as the disease is by no means easy to diagnose or differentiate.

(3) The total figure for Respiratory Diseases and Pulmonary Tuberculosis is 6,412. The climate and conditions of the Colony are most inimical to cure.

The deaths reported in the Coroners' Returns (Chinese only) are as follows, classified according to age and sex:—

Age Periods.	Males	Females
1 Under 1 year	2,329	2,613
2 Over 2 years	1,047	493
Total	3,376	3,106

These figures include a very large proportion of dumped bodies, especially heavy among infants. This dangerous and revolting practice is hard to eradicate amongst an ignorant population, but further steps are being taken which, it is hoped, may lead to improvement.

Suicides and Deaths from Accidents or Violence amounted to 277:—

(i) Chinese 252
(ii) Non-Chinese 25

There were no cases of human plague reported in 1930.

Systematic rat catching was carried out throughout the year, the total number of rats and mice destroyed being 141,286, (Hong Kong 88,842, Kowloon 52,444). Of these none were reported from the mortuaries as Plague infected.

The routine work authorised under the by-laws for the Prevention of epidemic endemic and contagious or infectious disease was carried out throughout the year; 123,164 floors were cleansed in Hong Kong and 57,788 floors in Kowloon. Practically all premises were cleansed twice in the year, many were cleansed three times and a few four times. Systematic limewashing of all domestic premises within the areas specified which are occupied by the members of more than one family was similarly supervised, 29,797 floors being limewashed in Hong Kong and 14,104 in Kowloon.

These two measures ensure a fair standard of cleanliness amongst the poorer classes of the community.

There were no human cases of hydrophobia throughout the year; 125 dogs were placed under observation and seven dog brains were examined by the Government Bacteriologist for evidence of rabies.

GOVERNMENT HOSPITALS.

Civil Hospital.—This hospital consists of three blocks and contains 225 beds in 23 wards. At times of pressure this number has been increased to 230 beds 100 beds are allotted to the University Clinic. 4,788 In-patients were treated (5,108 in 1929). Of these 1,124 were under the Staff of the University (1,385 in 1929). The daily average number of patients was 184. Attendances at the Out-patient Department numbered 45,682. (52,127 in 1929). The greater part of the work of this Department is done by the Staff of the University.

Attached to the hospital is an isolated Maternity Hospital containing 21 beds. 760 patients were treated during the year (807 in 1929). All the patients, except a few treated by the Government Medical Officers, were under the care of the University Professor of Obstetrics and his assistants. Of those treated, one was European and the remainder Asiatics.

Mental Hospital.—The Hospital is situated close to the Civil Hospital and is under the direction of the Medical Officer in charge of that hospital. European and Chinese patients are separated, the European portion containing fourteen beds in separate wards and the Chinese portion eighteen beds.

293 patients of all races were treated during 1930 and there were eight deaths.

The Infectious Diseases Hospital is situated on the western outskirts of the city—it is used mainly for the treatment of Small-pox. The Hospital contains 26 beds to which seven patients were admitted (40 in 1929).

Victoria Hospital.—This hospital is situated on the Peak and consists of a Main Block and a Maternity Block.

There are 42 beds in the main block in which 500 patients were treated, and 32 beds in the Maternity Block in which 82 were treated.

Kowloon Hospital.—Situated on the mainland has 57 beds. 1,694 patients were treated in 1930 as compared with 1,277 in 1929.

TUNG WAH HOSPITAL (Government aided).

Number of beds	460
Number of patients treated in 1930	12,772
Number of patients treated in 1929	12,806

INFECTIOUS DISEASES BRANCH.

Number of beds	63
Number of patients treated in 1930	73
Number of patients treated in 1929	186

KWONG WAH HOSPITAL, KOWLOON, (Government aided).

Number of beds	292
Number of patients treated in 1930	9,777
Number of patients treated in 1929	9,065

TUNG WAH EASTERN HOSPITAL (Government aided).

Number of beds	120
Number of patients treated in 1930	3,122
Number of patients treated in 1929	223

(Hospital opened November, 1929).

The above Hospitals are under the supervision of a Visiting Medical Officer who is a member of the Government Medical Department.

IX. Education.

The total numbers of pupils at schools in the Colony, excluding the Police School, are:—

	Number of Pupils		
	English Schools	Vernacular Schools	Total
Government Schools	4,172	456	4,628
Military Schools	244	—	244
Excluded Private School	125	—	125
Grant Schools	4,738	911	**5,649**
Vernacular Schools, Urban District	—	39,152	39,152
Vernacular Schools, Rural District	—	4,849	4,849
Private English Schools	6,748	—	6,748
Technical Institute	798	—	798
Total	16,825	45,368	62,193

The chief Government Schools are Queen's College, King's College, and three District Schools for Chinese boys, the Belilios Public School for Chinese girls, the Vernacular Middle School and two Vernacular Normal Schools, and the Ellis Kadoorie School for Indians.

The Central British School and Kowloon Junior, Victoria, and Quarry Bay Schools for children of British parentage have an average attendance of 320. There is also a school for children of the Peak District with an average attendance of 18.

There are six Grant-in-Aid Anglo-Chinese Schools for boys and six for girls, and four Grant-in-Aid Vernacular Schools for girls.

The Hong Kong Technical Institute affords an opportunity for high education of students who have left school. Instruction was given in 1930 in Building Construction, Field Surveying, Chemistry (Practical), Metallurgy, Physics, Electricity, English, Shorthand, Physical Instruction and Seamanship. Classes for men and women teachers, both "English" and "Vernacular" are a feature of the Institute.

The lecturers are recruited from members of the medical and educational professions in the Colony, and from the Department of Public Works, and receive fees for their services. The Institute is furnished with a well equipped chemical laboratory and excellent physical apparatus.

The expenditure of the Education Department in 1930 was $1,662,179.55 and the revenue collected from Government School fees was $209,945.02.

THE UNIVERSITY OF HONG KONG.

The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

The late Sir Hormusjee Mody bore the entire expense of the erection of the main building and additions have been made through the liberality of benefactors of varied nationality and domicile. The latest addition to the buildings is a workshop built out of a contribution from Sir Robert Ho Tung.

The annual income of the University now amounts to about $892,000 of which about $290,000 comes from endowments and $390,000 from Government. Messrs. Butterfield and Swire gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockfeller Institution has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000.

The Government Grant was increased in 1930 from $90,000 to $390,000 to meet additional Expenditure due mainly to the fall in Exchange.

The annual expenditure now amounts to about $846,000.

The University includes the three Faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognised as equivalent thereto.

The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D., and M.S., may be obtained for postgraduate work. The degrees above mentioned are recognised by the General Medical Council for registration in Great Britain.

The Faculty of Engineering provides a four year course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

The Faculty of Arts includes departments of pure arts and science, social science, commerce and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

With a view to securing the maintenance of the desired standard —which is in all three faculties that of a British University degree— external examiners are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of

Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

The degree of LL.D., is granted *honoris causa*.

The site of the University was given by the Government of Hong Kong. As subsequently enlarged by minor grants and by purchase, the University estate covers an area of about 800,000 sq. ft. The view from the grounds over the harbour is magnificent and the grounds are naturally beautiful.

In the main buildings are housed the chemical and physical laboratories, the University library and portions of the engineering laboratories. They further include the Great Hall, a Senate room and the lecture and class rooms used by the Faculty of Arts and for general purposes.

Special medical buildings include schools of anatomy, physiology pathology and tropical medicine, erected at the cost of Chinese gentlemen resident in the Colony. Clinical instruction is given at the Government Civil Hospital.

Special engineering buildings include:—

(*a*) a power station, with internal combustion engines of varied types which are maintained for instructional purposes;

(*b*) a primemovers (steam) and hydraulics laboratory, at present housed in a converted pumping station, formerly the property of the Government; and,

(*c*) A workshop, for practical instruction of students.

Electrical machinery, electrical technology, the testing of materials and experimental mechanics are dealt with in the main building.

The larger part of the engineering equipment was the gift of British engineering firms.

Other buildings upon the estate include:—

(*a*) the Vice-Chancellor's Lodge

(*b*) Staff-quarters

(*c*) the resident hostels

(*d*) the University Union Building, and

(*e*) The School for Chinese Studies, which is in process of construction and will probably be ready for occupation by the end of the year 1931.

Unless exempted from residence (such exemption being ordinarily granted on the ground that the student's "manner of life" is not such as is catered for in the hostels), every matriculated student is required to reside either in a University or recognised hostel.

The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall.

Recognised hostels are at present three in number—Morrison Hall, situated immediately above the University grounds and conducted by the London Missionary Society, St. John's Hall, immediately opposite the front of the University, conducted by the Church Missionary Society and Ricci Hall which is situated in Pokfulam Road and is conducted by the Irish Jesuits. It was opened in January 1930.

Each student occupies a separate room or cubicle, and there are the usual common rooms. Each University hostel is in charge of a member of the staff, as resident warden.

No University hostel at present exists for women students—whose right to admission to the University was first recognised in 1921: but some arrangements for the accommodation of a few women students in a rented building have been made by the authorities of St. Stephen's Girls' College, a Church of England girls' school which is near the University. The nuns of a neighbouring Italian convent are also prepared to house a few women students.

The tuition fee is $400—the hostel fee which includes board and lodging is $300. Students who are allowed to live in a hostel during a vacation—some have to because of their work, *e.g.* medical students, and others because their homes are too far away—pay at the rate of $8 a week. When a student joins he is required to deposit caution money to the extent of $25, and to pay a registration fee of $5. The annual subscription to the University Union is $20 and this covers the annual subscription to practically all the athletic clubs. The graduation fee is $25. Probably about $1,400 represents the minimum amount which at present prices would cover a student's annual expenses including vacations. It would cost a Chinese student who goes abroad $4,500 a year at the very least and this would not cover travelling expenses.

Numerous scholarships are available, including the King Edward VII Scholarships founded by His Majesty's Government. There are also scholarships provided by the Government of Hong Kong, and by private individuals and firms.

The Union is the centre of the social life of the students. It is at once a Club and a centre of athletics. The Union Committee contains certain members of the University teaching staff, but its President and Secretary are undergraduates elected by the undergraduates. The undergraduate members of the Committee are also elected by their fellow students. There is a Union magazine with

English and Chinese sections. The editors are students, a member of the teaching staff acting as assistant editor. There are forty women students; these women students are all members of the Union.

Students of the University come from Kuangtung, Ho Pe, Hankow, Hupeh, Yunnan, Hunan, Shanghai, Pekin, Fukien, Singapore, Penang, Kuala Lumpur, Kedah, Johore, Java, Manila, Burma, Siam, Japan, India, Macao, Harbin, the Philippine Islands and Borneo. The present enrolment is 336 of whom 286 are Chinese and 50 non-Chinese.

X.—Lands and Surveys.

Land Grants and General Value of Land.

The amount of premium received from Sales of Crown Land and Pier Rights, exclusive of the New Territories, during the year 1930 was $2,060,259.06, an increase of $681,957.32 over the preceding year. The principal items were $109,250 for Inland Lots 3053/4, (Jockey Club Stables); $100,600 for K.I.L. 2372 (an area at Prince Edward Road), and $280,875 for K.M.L. 100 at Tai Wan.

The amount of premium received from Sales of Crown Land and Fier Rights, in the New Territories during the year 1930, was $795,631.22, being an increase of $247,318.97 over the year 1929. The principal items were $54,100 for N.K.I.L. 1403, $53,500 for N.K.I.L. 1414 and $100,625 for N.K.I.L. 1419.

The foregoing increases indicate that there is still a good demand for building land

The total area of land leased during the year was 632 acres and 5-9/10 poles which is a considerable increase on the preceding year.

The total area resumed re-entered and surrendered was 208 acres 2 roods and 31-1/10 poles.

There was an increased demand for shop-building sites at Tai Po and Un Long Markets in the Northern District of the New Territories, but in the former place applications fell through because of formation and levelling difficulties. The demand for land for agricultural purposes in the District steadily increases.

In the Southern District of the New Territories there was an apparent decline in the demand for building sites, but there was a fair demand for agricultural land.

XI. Labour.

During the year the fall in exchange led to a considerable rise in prices of articles imported from countries having a gold standard. Local products were however not affected to any great extent and good harvests helped to maintain the cost of rice at something like its normal figure. Conditions in most trades remained quiet and the only disputes of importance arose from the attempts made by employers in one or two trades to reduce wages—attempts which were in most cases successfully resisted.

During the year the regulations dealing with the employment of women and children were amended to prohibit the employment of women and young persons in factories between the hours of 9 p.m. and 7 a.m., and the minimum age at which children may be employed was raised from 10 to 12 years.

XII. Legislation.

Thirty-two Ordinances were passed during 1930. They comprised two appropriation, twenty-one amendment or revision, three consolidation, two incorporation and two mixed Ordinances as well as two which dealt with subjects which were new to the Colony though obtaining elsewhere.

The Appropriation Ordinance (No. 19) applied a sum not exceeding $23,365,335 to the public service of the year 1931, and Ordinance No. 5 appropriated a supplementary sum of $304,538.83 to defray the charges of the year 1929.

Of the amending Ordinances calling for special remark No. 11 requires newspapers registered under the Printers and Publishers Ordinance, 1927, to deposit $3,000 as security available for the payment of fines and damages for libel. No. 7 makes the 10th October, which is observed by the Chinese as their National Day, a permanent general holiday and transfers to the first Monday in September the general holiday previously appointed for the second Monday in October. No. 9 makes provision for connecting the system of the Hong Kong Telephone Company Ltd. with the trunk telephone line which is being laid from Canton to the British border. No. 12 gives conditional legal sanction to the ordinary club sweepstakes on horse and pony races, but prohibits the sale of tickets otherwise than on the course during a race-meeting. Nos. 13 and 14 provide for the continuity of Office of the Registrar of Companies with regard to deposits by Life and Fire Marine Insurance Companies. No. 17 gives the court a discretion as to the acceptance of a plea of guilty in capital cases and abolishes the old presumption of law that an offence committed by a wife in the presence of her husband is to be deemed as committed under his coercion. No. 18 lays down rules for the construction of future stairways which will make for safety in cases of fire. No. 21 gives effect to an arrangement between H.M. Government and the United States Government to ensure notification of the death of U.S. citizens to the nearest Consular officer under the Washington Convention. No. 27 simplifies the procedure of resumption of Crown lands. No 30 amends the Stamp Ordinance, 1921, and raises the duty, inter alia, on cheques and receipts from 5 to 10 cents but in the latter case exempts amounts not exceeding $20.

The Pilots (No. 11), Pawnbrokers (No. 16) and the District Watch Force (No. 23) Ordinances are consolidatory in character; but contain some new provisions. Licensed pilots are in general to be British subjects. Many of the provisions of the Pilots Ordinance are taken from the Pilotage Act, 1931. Provision for charging simple interest only is made in the Pawnbrokers Ordinance. Penalties are provided for the impersonation of members of the District Watch Force.

Ordinance No. 8 incorporates the Committee of the Sailors' Home and Mission to Seamen on the lines usual in such cases. No. 15 incorporates the Colonial Treasurer to facilitate the taking of securities on behalf of the Government. Nos. 2 and 31 are mixed in character as they respectively incorporate the Trustees of the Church of England in the Diocese of Victoria Hong Kong and the Tung Wah Hospital, repeal previous Ordinances relating to these subjects and establish constitutional regulations for the bodies so incorporated.

The new subjects for legislation were taxation of light hydrocarbon oils dealt with by the Motor Spirit Ordinance (No. 4) and the imposition of duties in respect of admission to entertainments (Ordinance No. 28).

XIII.—Miscellaneous.

EMIGRATION AND IMMIGRATION.

One hundred and eighty eight thousand nine hundred (188,900) Emigrants left Hong Kong for various places during the year 1930, of these 93,580 were carried in British ships and 95,320 in Foreign vessels.

Two hundred and twenty-three thousand one hundred and thirty-six (223,136) returning emigrants were reported to have been brought to Hong Kong from the several places to which they had emigrated either from this Colony or from Coast ports as against 185,390 in 1929. Of these 118,674 were brought in British vessels and 104,462 in Foreign vessels.

Statement of number of emigrants to Straits Settlements 1921-1930 as compared with total number of emigrants from Hong Kong

	To Straits Settlements.	Total No of Emigrants.
1921	87.324	156.011
1922	50,356	98.393
1923	65.584	120.224
1924	75,682	129.859
1925	97,552	140.534
1926	157,285	216.527
1927	202.408	285.593
1928	169.741	257.162
1929	146.516	227.523
1930	121,385	188.900

INSTITUTIONS.

Among institutions recognised and encouraged, but not to any considerable extent supported by Government may be mentioned the Po Leung Kuk, the Eyre Refuge, the City Hall, and the Chinese Public Dispensaries.

The Po Leung Kuk Society was founded in 1878 to aid in the detection and suppression of kidnapping, especially of girls and women, and to shelter such girls or women as had been kidnapped in the interior and brought to Hong Kong for sale or emigration. Its name means "institution for the protection of good women." The initiative in its formation came from the Chinese themselves, and ever since by subscription and personal service, they have continued to support it.

There is a paid Chinese staff-matron, amahs and nurses, and two clerks who are secretaries to the managing committee. This Committee meets every evening from Monday to Friday at 7 p.m., the principal meeting of the week being held at 12 noon on Sunday. It not only manages the Po Leung Kuk, but acts as an advisory committee to the Secretary for Chinese Affairs, in all cases affecting women and children, and Chinese family life generally, which are often extremely difficult and tedious. It corresponds when necessary with charitable institutions and private persons in various parts of China, traces parents of lost children or ill-treated mui tsai, and shelters for the night any Chinese woman or girl who chooses to go. When parents or relations cannot be traced, the Committee arranges for the girls in its care to be given in marriage (never as concubines) or in adoption, always under bond and always with the consent of the Secretary for Chinese Affairs; and in every case that officer ascertains the girl's willingness before giving consent to either adoption or marriage.

In addition to the annual Committee appointed by co-option there is a Permanent Committee, which serves to maintain continuity of policy, and of which the Secretary for Chinese Affairs is the ex-officio chairman.

The number of inmates of the Po Leung Kuk on 1st January, 1930, was 53 and during the year 469 persons were admitted as against 636 in 1929. The existing premises of this institution having become inadequate for the demand made upon it, Government gave a new site in the Eastern part of the town to enable a more commodious building to be erected.

The Chinese Public Dispensaries are institutions maintained in order to provide the Chinese with the services of doctors, whose certificates will be accepted by the Registrar of Deaths, and with the services of interpreters, who can assist the inmates of houses, where a case of infectious disease has occurred. Coolies are engaged and ambulances and dead vans provided in order to remove cases of infectious disease to the Infectious Diseases Hospital and dead bodies to the Mortuary. The Dispensaries receive sick infants and send them to one or other of the Convents and arrange for the burial of dead infants. Free advice and medicine are given and patients are attended at their houses. There are eight Dispensaries in existence. The Government makes an annual grant of $2,000, and the rest of the cost is cost is defrayed by voluntary subscription. The Dispensaries are conducted by committees under the chairmanship of the Secretary for Chinese Affairs.

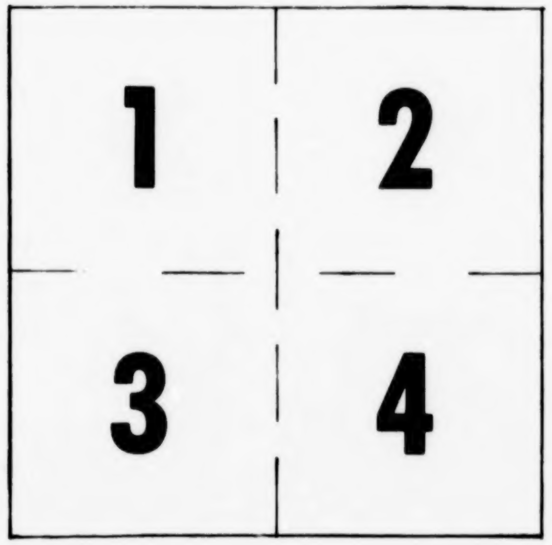
The Tung Wah Hospital, opened in 1872, is mainly supported by the voluntary subscriptions of Chinese, but receives annual grants from the Government amounting to $20,500. Only Chinese are treated in this institution. Various other services not appertaining to a hospital are performed by the institution, such as the free burial of the poor, the repatriation of destitutes, the maintenance of free vernacular schools, and the organisation of charitable relief in emergencies; Chinese as well as European methods of treatment are employed in accordance with the wishes expressed by the patients or their friends.

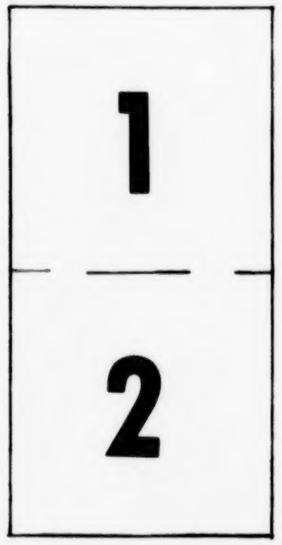
The Kwong Wa Hospital, opened in 1912, is situated on the Kowloon peninsula at Yaumati. About 50% of its expenditure is met by grants from Government and the balance by voluntary subscriptions.

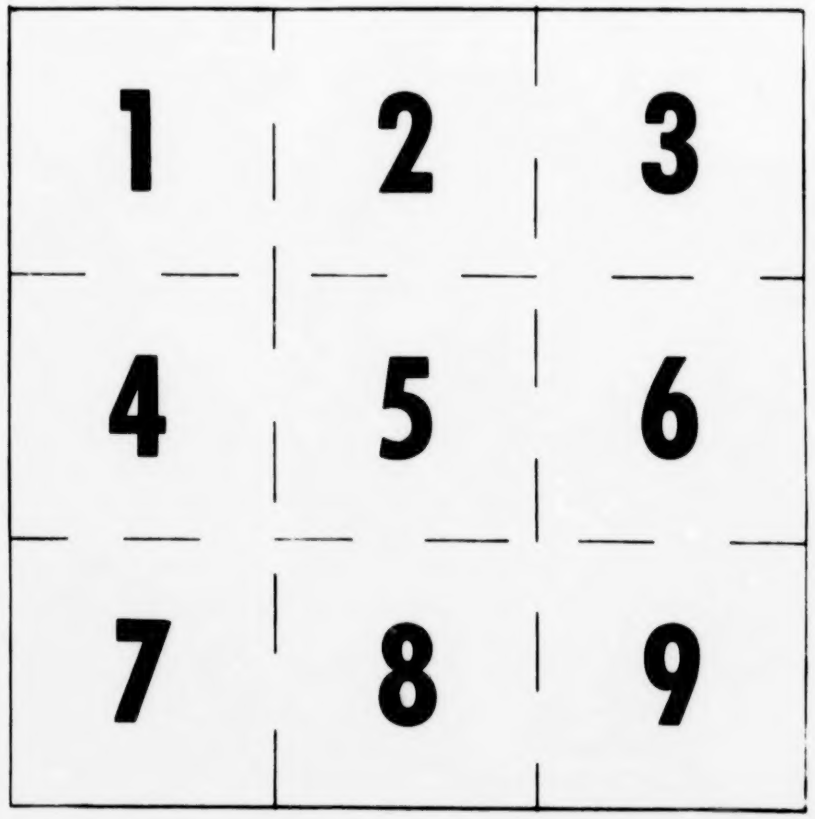
The Tung Wah Eastern Branch Hospital, erected and equipped at a cost of over $300,000, was opened in November 1929. In 1930 two new wings were added costing $50,000.

These hospitals are now managed by a Joint Committee of Chinese gentlemen annually elected in accordance with the provisions of the Tung Wah Hospital Ordinance of 1930.

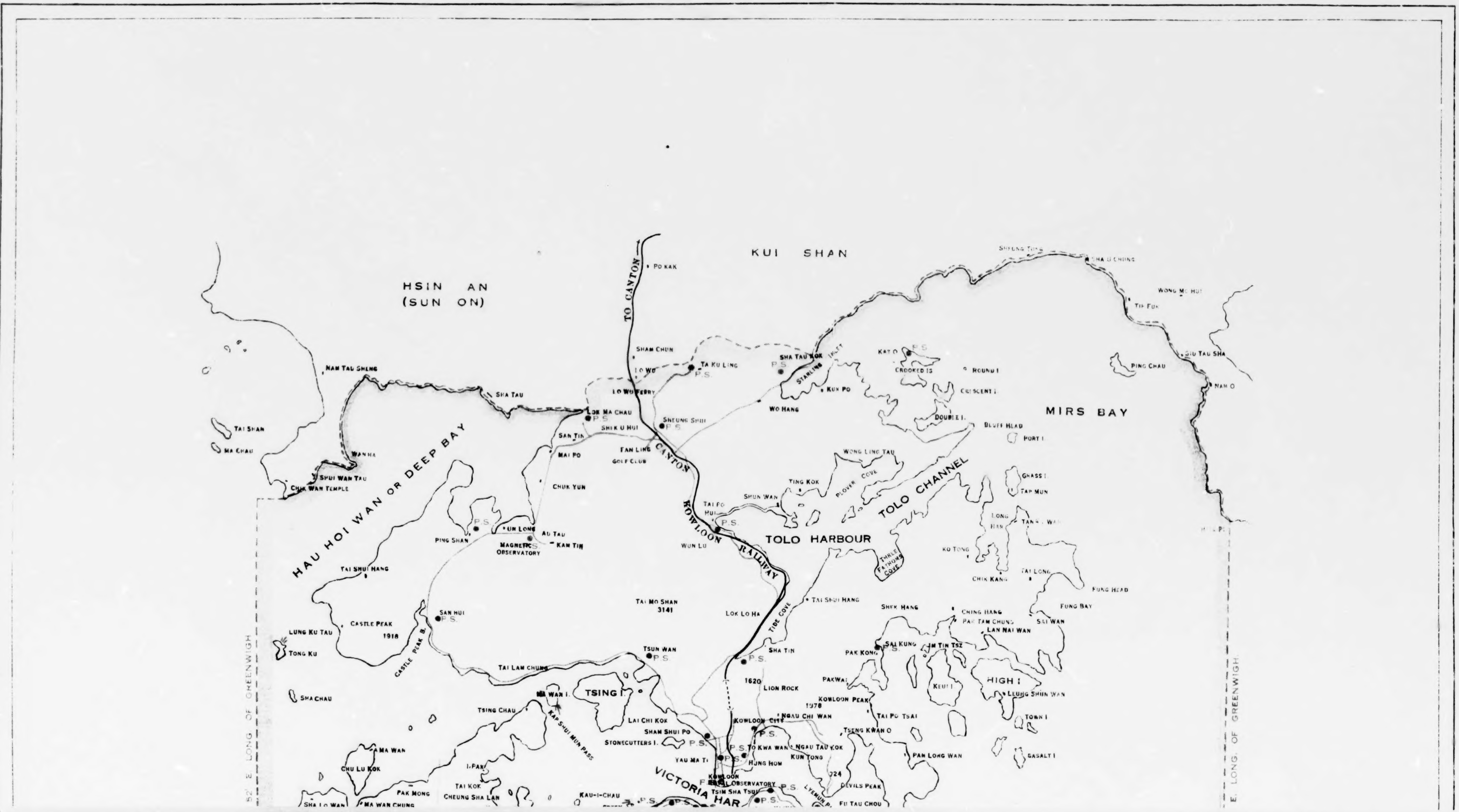
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







MAP OF HONG KONG AND NEW TERRITORIES.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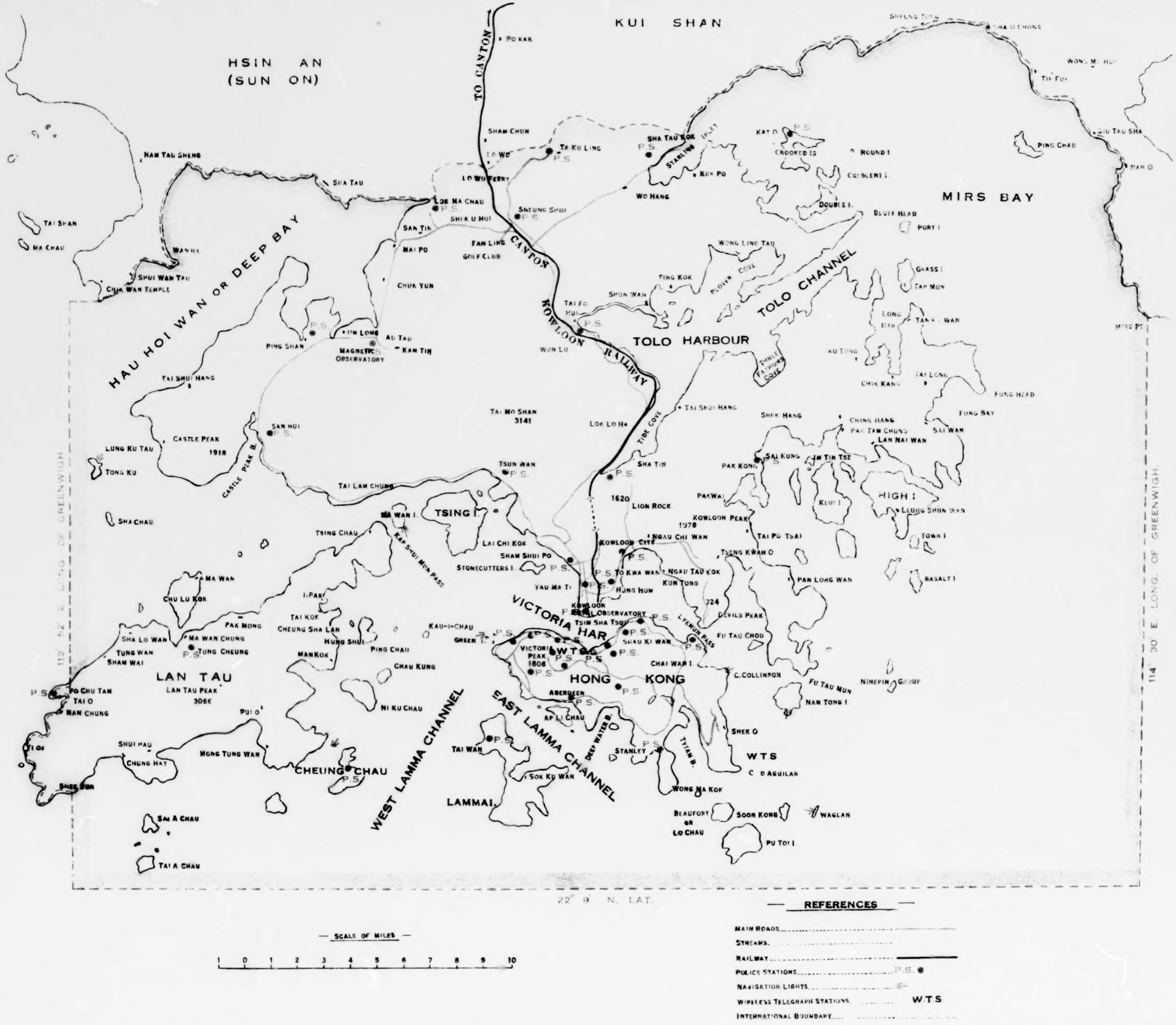
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ROYAL OBSERVATORY
DEVILS PEAK
VICTORIA HAR.
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HONG KONG, 1931

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Chapter I.

GEOGRAPHY, INCLUDING CLIMATE, AND HISTORY.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

2. The island was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The area of the New Territories and Islands is about 345 square miles.

3. The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya, and elsewhere. It is also the natural distributing centre for imports into China from abroad.

4. The Colony is not to any extent a manufacturing centre, its most flourishing industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings.

5. The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95°F or falls below 40°F. The average rainfall is 85.50 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere is often very high, at times exceeding 95% with an average over the whole year of 77%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

6. The rainfall for 1931 was 80.39 inches. The mean temperature of the air was 72°.4 against an average of 71°.9. The maximum gust velocity of the wind was at the rate of 136 m.p.h. from E.N.E. on August 1st, when a typhoon passed within 50 miles to the S.W. of Hong Kong.

7. Amongst the principal events of general interest in the year 1931 may be mentioned the visit to the Colony in February of the British Economic Mission to the Far East under the chairmanship of Sir Ernest Thompson, and the visit of the Currency Commission under the chairmanship of Mr. W. H. Clegg sent out by the Colonial Office in April to report on the Colony's currency problems.

8. There were two disasters entailing serious loss of life. One was a railway accident caused by a 'wash out' as a result of a cloudburst on the British Section of the Kowloon-Canton Railway on April 20th, when eleven persons were killed. The other was the murder by a mob of six inmates of a Japanese household on September 26th during the anti Japanese riots.

9. The decennial census was held on 7th March. The population was found to be Hong Kong Island, 410,921, Kowloon 264,675, New Territories 98,905, Afloat 75,250. Total 849,751

10. On September 1st the trunk telephone line between Hong Kong and Canton was formally opened by His Excellency the Governor Sir William Peel, K.C.M.G., K.B.E.

11. The honours conferred by His Majesty the King on residents of Hong Kong included:—

K.C.M.G.: Sir William Peel, K.B.E.

Knight Bachelor: Sir William Hornell, C.I.E., Vice Chancellor of the University of Hong Kong.

O.B.E. (Military Division): Major H. B. L. Dowbiggin, H.K.V.D.C.

O.B.E.: Mr. E. W. Carpenter, Assistant Director of Public Works.

Chapter II.

GOVERNMENT.

The Government is administered under Letters Patent of 14th February, 1917, and Royal Instructions of the same and subsequent dates by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, all of whom are members ex-officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are also members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are the Inspector General of Police, the Harbour Master, and the Director of Medical and Sanitary Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council.

2. The Sanitary Board composed of four official and six unofficial members has power to make bye laws under the Public Health and Buildings Ordinance in matters appertaining to public health, subject to an overriding power in the Legislative Council.

3. There is a number of advisory boards and committees, such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board etc. composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

4. The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

5. The daily administration is carried out by the twenty-eight Government departments, which are officered exclusively by members of the Civil Service. The most important of the purely administrative departments are the Secretariat, Treasury, Secretariat for Chinese Affairs, Harbour, Post Office, Imports and Exports Office, Police and Prisons departments. There are seven legal departments, amongst these being the Supreme Court and the Magistracies. Two departments, the Medical and Sanitary, deal with public health; one, the Education, with education; and one, the largest of all the Government departments, the Public Works, is concerned with roads, buildings, waterworks, piers and analogous matters.

6. There have been no changes in the system of Government in the year under review.

Chapter III.

POPULATION AND BIRTHS AND DEATHS.

The Census taken in March 1931 gave figures which except in the case of the New Territories were considerably below the estimates made during the previous year. In the case of the urban population the method adopted for estimation was that of multiplying the total houses in a district by an average figure per house obtained after counting 100 houses in that district. In a Colony like Hong Kong where the movement to and from China is so great such a method of estimation would seem to be more accurate than that of working out the yearly increase of the last intercensal period and assuming that the same rate of increase would persist through subsequent years, and it is surprising that there should be a discrepancy between the Census figures and those estimated.

2. With regard to the floating population the census probably understates the actual population as the fishing fleet and the larger trading junks were absent at the time of counting.

3. In order to compare the vital statistics of 1931 with those of 1930 it is necessary to make revised estimates for the urban population based on the Census figures, and for the floating population to increase the census figures to 100,000 to compensate for the absence of the fishing fleets and large trading junks.

4. The following table shows the Census population, the revised estimates for the middle of 1930 and the estimates for the middle of 1931:—

	Census Population.	*Estimated Population for middle of 1930.*	*Estimated Population for middle of 1931.*
Non-Chinese (mostly resident in Victoria and Kowloon)	19,369	19,000	19,522
Chinese in Victoria	358,351	355,400	359,819
Chinese in Hong Kong Villages.	41,156	40,000	41,740
Chinese in Kowloon and New Kowloon	255,095	246,100	259,590
Chinese in Junks and Sampans.	68,721	100,000	100,000
Chinese in New Territories.......	97,781	96,800	98,276

5. During the year 2,881,479 persons entered and 2,796,222 persons left the Colony, making a daily average of 7,894 arrivals and 7,660 departures. The daily average for 1930 was 7,396 arrivals and 7,222 departures.

6. Births and deaths are registered in the Colony proper and in New Kowloon but not in the New Territories outside New Kowloon.

The number of births registered was:—

Chinese	12,055
Non-Chinese	388
	12,443

7. The deaths registered among the civilian population numbered 18,799, giving a crude death rate of 24.08 as compared with 21.57 for the previous year.

Year.		*Deaths.*	*Estimated population.*	*Death rate per mille population.*
1931	Chinese	18,566	761,149	24.39
,,	Non-Chinese	231	19.522	11.83
1930	Chinese	16,082	741,500	21.68
,,	Non-Chinese	186	19,000	9.79

8. The number of deaths of infants under one year was.—Chinese 7,443, non-Chinese 24. If the figures for Chinese births registered represented the total births, which they do not, the infantile mortality figure for the Chinese would be 617.42 as compared with 557.5 in the previous year. The infantile mortality figure among the non-Chinese was 61.85 as compared with 74.08 in 1930.

Chapter IV.

Public Health.

In the absence of some general system of registration of sickness the only sources of information available for gauging the state of the public health in this Colony are the returns relating to deaths, the notifications of infectious disease and the records of the Government Hospitals and Chinese Hospitals.

2. Judging from the death returns the health of the Colony was not so good as in the previous year. The crude death rate was 24.88 per mille as compared with 21.38 the revised rate for 1930. Respiratory diseases accounted for 42.25 per cent of the total deaths, the percentage for 1930 being 38.95.

3. The principal diseases causing death were broncho-pneumonia, pulmonary tuberculosis, bronchitis, pneumonia, infantile diarrhoea and diarrhoea.

4. The overcrowded houses combined with the expectorating habits of the Chinese furnish sufficient explanation for the prevalence of respiratory troubles.

5. *Pulmonary Tuberculosis.*—This disease ranks second to broncho-pneumonia as the principal cause of death. It is probable that some of the cases of the latter were tubercular in

origin. The total number of deaths was 1,983, that for 1930 being 1,994. The death rate per mille was 2.60 as compared with 2.62 for the previous year. It is estimated that for every death there are at least ten persons suffering from open tuberculosis which means that during the year under discussion there were 20,000 cases, each spreading infection.

6. There are no sanatoria and no infirmaries other than the Chinese Hospitals where poor tuberculosis patients could find shelter and treatment and where at least they would cease to be a danger to others. During the year the Tung Wah Hospital provided 36 beds. It is hoped that when the new Government Civil Hospital is built there will be accommodation for a number of cases of this disease.

7. *Malaria.*—Malaria which in the early days of the Colony was the chief cause of sickness and of death has disappeared from the thickly populated urban districts as a result of efficient drainage. It still persists in the suburbs and in the rural areas. The cases admitted to the Government Hospitals numbered 586 of which 8 or 1.36 per cent died. In the Chinese Hospitals there were 1,001 admissions with a case mortality rate of 25.57 per cent.

8. The total number of deaths attributed to this disease was 452, giving a death rate of 0.60 per mille population. The lowness of the rate is, of course, due to the fact that the majority of the population, being outside the radius of flight of malaria carrying anophelines, is not subject to risks of attack.

9. The Medical Officer in charge of Kowloon Mortuary reports that in 399 consecutive bodies sent to the Mortuary for examination 97 or 24.25 per cent had spleens twice the normal size or larger.

10. During the year the Malaria Bureau continued its researches and co-operated both with the Military Authorities and the Public Works Department.

11. It is pleasing to be able to report that during the investigations carried out by the Bureau the staff experienced no opposition from the local Chinese; on the contrary both adults and children showed great interest in the proceedings and were eager to help. This is very satisfactory for there were those who predicted that there would be considerable opposition on the part of the people, especially those of the New Territories.

12. *Infectious Diseases.*—There was no serious epidemic of infectious diseases during the year under discussion. There were a number of cases of diphtheria with evidence indicating that the source of infection was a local dairy. Pasteurisation of the milk had satisfactory results.

13. *Smallpox.*—Smallpox which manifests itself every year during the winter months was represented by a few sporadic cases only. There were in all 15 cases and 8 deaths as compared with 270 cases and 249 deaths in 1930. In February the Sanitary Board rescinded its resolution of 1917 whereby cases of smallpox were permitted to be treated in their houses. Following the rescission there was a mass meeting of the Chinese at the Tung Wah Hospital where vigorous protests were made against the decision.

14. During the year the vaccination campaign was continued, valuable assistance being afforded by the St. John Ambulance Brigade whose officers established booths in the streets, and carried out an active propaganda advocating vaccination and revaccination with excellent results. In the last four years there have been 981,241 vaccinations, a number exceeding the present population as enumerated by the Census.

15. The General Chinese Public Dispensaries Committee recommended that the dispensaries should take a more active part in propaganda work. Arrangements were made for the Government Medical Department to co-operate by supplying material for the Committee's use.

16. Among the Chinese the opinion is prevalent that the results of treatment of smallpox by Chinese methods are superior to those by Western methods. An analysis of the statistics of (*a*) the Tung Wah Infectious Diseases Hospital where the majority of cases receive Chinese treatment and of (b) the Government Infectious Diseases Hospital, where Western treatment only is provided shows that this view is not correct. Calculating on the figures for the last 20 years the death rate in the Tung Wah was 46.77 per cent of the cases treated and that in the Government Hospital 14.33 per cent.

17. *Plague.*—Plague as an epidemic disease has disappeared from Hong Kong and the same may be said of South China. The whole truth concerning the factors which have caused this disappearance is not known. The disappearance from Hong Kong may be, and probably is, to a certain extent due to the sanitary measures which have been and are being taken but this cannot be the case in many of the Chinese towns where the conditions are as they have always been.

18 There were no cases reported in the Colony during either 1931 or 1930.

19. Systematic rat catching and periodical cleansing of houses were carried out during the year. The total number of rats collected was 157,828, of which 11,520 were taken alive as compared with 141,286 and 6,756 in 1930. The number of floors cleansed was 196,912, the number in 1930 being 180,952.

20. *Dumping of the Dead*.—In spite of the fact that there was no epidemic during the year the dumping of dead bodies continued. The number reported by the Police was 1,295. The number for 1930 was 1,516.

21. *Government Civil Hospital*.—This hospital consists of three blocks and contains 225 beds in 23 wards. One hundred beds have been placed under the care of the clinical professors of the University who have been appointed respectively Surgeon, Physician and Obstetrician Physician to the hospital. The number of inpatients was 4,744, of which 891 were treated by the University Clinic. The number of inpatients in 1930 was 4,788.

22. Attendances at the outpatient department numbered 43,196 (45,683 in 1930). The greater part of the work of this department is done by the staff of the University.

23. Attached to the hospital is a Maternity Hospital containing 21 beds. There were 796 cases in 1931 and 760 in 1930. With the exception of a few treated by the Government Medical Officers all the cases were under the care of the University Professor and his assistants.

24. *Mental Hospital*.—Situated close to the Government Civil Hospital is the Mental Hospital which is under the direction of the Medical Officer in charge of the Government Civil Hospital. There are separate portions for Europeans and Chinese. The European section contains 14 beds and the Chinese 18 beds. This hospital is mainly only a temporary abode for mental cases, those of Chinese nationality being sent to Canton, the others are repatriated to their respective countries. There were 322 cases in 1931 and 324 in 1930.

25. *Infectious Diseases Hospital*.—This hospital situated on the western outskirts of the city contains 26 beds. Five cases were admitted in 1931 as compared with six cases in 1930.

26. *Victoria Hospital*.—This hospital situated on the Peak consists of a general block and a maternity block. The former contains 42 beds, the latter 32 beds.

27. *Kowloon Hospital*.—Situated on the mainland this hospital has 58 beds. 1,855 patients were treated in 1931 and 1,691 in 1930.

28. *Chinese Hospitals*.—(*Government aided*).—The Chinese Hospitals—Tung Wah, Tung Wah Eastern and Kwong Wah—are hospitals which are maintained by the Tung Wah Charity

Organisation, a purely Chinese body. These institutions which are assisted by Government are under inspection by the Government Medical Department. Each has as its medical superintendent a Chinese Medical Officer who is paid by Government.

29. The Medical Staff consists of Western-trained Chinese doctors and Chinese herbalists. The patient is given his choice of treatment.

HOSPITAL	No. of beds	No. TREATED 1931		No. TREATED 1930.	
		Western Medicine	Chinese Medicine	Western Medicine	Chinese Medicine
Tung Wah,...............	460	5,704	5,246	5,295	5,548
Tung Wah Eastern,.....	195	2,185	1,345	1,796	854
Tung Wah Infectious Diseases, ...	60	...	9	...	73
Kwong Wah, ...	325	8,204	2,283	7,026	2,751

Chapter V.

HOUSING.

In recent years some evidence has been shown amongst the artizan class of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. This class of labour has to find its habitat as close as possible to the scene of its labour, with the result that the Western part of the City of Victoria, which houses the native business quarter and closely adjoins the portion of the harbour handling the traffic from the West River and Chinese Coast Ports, is seriously overcrowded.

2. These conditions are being slowly mitigated by the rebuilding of properties which from time to time are condemned for reasons of structural defects. This process of elimination is however, too slow to create any appreciable improvement. The legislation now being contemplated, which calls for the

provision of reasonable yard space, when made operative, will hasten the removal or reconstruction of much of the old property. This whilst providing improved housing conditions, will no doubt mean increased cost of living to the labouring classes.

3. Hitherto, the hostility of the property owning class to the introduction of legislation requiring additional open space and per se reducing the earning power of the property has been the chief obstacle in obtaining improved conditions. It can, however, be recorded that this spirit of obstruction is less evident today as a result of education, and of the example set by some of the better class of realty companies whose blocks of tenement houses compare not unfavourably in essential respects with modern European practice.

4. The housing of the Colony is all privately owned, and control is maintained by the operation of the Public Health and Buildings Ordinance, the provisions of which also mould the character of the housing. Generally the houses are built back to back in rows, separated by a scavenging lane six feet in width specified by the Ordinance. These houses vary in height from two to four storeys according to the width of the street onto which they front, whilst the average height per storey is twelve feet, a minimum being controlled by the Ordinance. The houses built prior to the 1903 Ordinance covering the greatest part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. After the passing of the Public Health and Buildings Ordinance No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot is governed, and falls under two main heads, *viz*:—(*a*) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must not be less than one fourth the area of the site and (*b*) houses built on land bought subsequently where the minimum is raised to one third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitations than to economics) and a depth of about thirty-five feet, whilst each storey consists of one large "room" with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles each of which may accommodate a family. A latrine is built at ground floor level, one to each house irrespective of the number of occupants, and is common to all.

5. Structurally the earlier houses are of blue bricks (of native manufacture having a very low structural value) and timber, (usually China fir which is extremely susceptible to the ravages of white ants). Lately, however, reinforced concrete and better quality bricks have been used.

6. In the City of Victoria the major defect of housing is due to lack of town planning, but since a large proportion of

the City was erected in the early days of the Colony, when town planning was little practiced even in Europe, the conditions to-day are a heritage, the elimination of which involves immense sums of money, and probably considerable opposition if attempted on a large scale.

7. Generally many of the old houses suffer from defects which are attributable to the Ordinance of that time. Passed in 1903 the measure was framed to meet existing conditions, both structurally and hygienically as they were then understood and practiced. But, viewed in the light of modern practice and knowledge, many of its provisions are found to be lax and the following are the main resultant defects:—

(*a*) The open space is insufficient, especially with regard to earlier houses, *i.e.* those built on land purchased prior to 1903.

(*b*) Latrine accommodation is insufficient.

(*c*) Staircases are too narrow and steep, and often unlighted.

(*d*) Means of escape in case of fire insufficient.

Note:—

(*b*) In the case of new buildings where owners are able to provide by means of a well or otherwise an adequate water supply, flush sanitation is now usually provided on each floor. This is one of the most important steps forward in sanitation that has been achieved.

(*c*) and (*d*) have been provided for by recent amendments of the Public Health and Buildings Ordinance, which call for any new staircases in tenement houses to be of fire-proof construction, with alternate means of egress to all floors more than twenty three feet above the footpath. The remarks above apply more particularly to the housing of the wage-earning Asiatics. The housing for the wealthier classes is provided for by modern flats three or four storeys high, and in the suburban areas by detached or semi-detached houses usually two storeys high which may be occupied separately or as flats.

8. A new Buildings Ordinance is being drafted, which will eliminate many of the present defects and demand a higher standard generally, whilst the building owners are themselves realising the advantages of modern constructional methods. Town planning improvements are being carried out wherever possible in Hong Kong whilst the development of Kowloon is proceeding according to a definite lay-out.

Chapter VI.

PRODUCTION.

Hong Kong is the port for South China, and the greater part of the large volume of goods that pass through it is in transit either to or from South China and other parts of the world, including North and Middle China. The Colony itself produces comparatively little, though the shipbuilding, cement, sugar refining and cotton knitting industries are not unimportant. Neither agriculture nor mining are carried on to any great extent, though the former is practised throughout the New Territories. Rice and vegetables are grown, and there is considerable poultry farming, but in insufficient quantities to supply the needs of the urban populations of Victoria and Kowloon. The cultivation is in the hands of the Chinese villagers. Sea fishing is an important industry, but here again local supplies have to be augmented by importation from outside.

2. Reports on the principal industries for the year 1931 are given below:—

Refined Sugar.—The year opened with large stocks in China which had been rushed in prior to the enforcement of higher Customs Duties as from 1st January. Later, when business was resuming normal proportions, the floods in the Yangtsze Valley led to a diminished off-take. The embroglio in Manchuria also induced nervousness on the part of buyers, new orders being confined to immediate needs.

3. *Preserved Ginger.*—It is estimated that 3,000 tons more of preserved ginger was exported to Europe in 1931, as compared with the previous year, the increase being due to favourable exchange and lower rates of freight. The demand from the United States of America continued to decline owing to industrial depression and its reaction on purchasing power, particularly in respect of luxury commodities. Total value of exports of preserved ginger from Hong Kong in 1931 amounted to $2,347,375.

4. *Cement.*—There was a fair demand for locally manufactured cement during the first nine months of 1931. During the last three months of the year, the demand exceeded the supply due to the greatly reduced importation of the Japanese product. The Green Island Cement Company were, however, able to deal to a large extent with the increased demand owing to their having recently installed an entirely new All-British Plant.

5. *Rope Making.*—The demand for locally manufactured rope during 1931 was normal and no special features were met with in this industry.

6. *Hosiery.*—The turnover in locally manufactured knitted goods during 1931 was fairly satisfactory. The increased China tariff has adversely affected local factories which depended on the China market, but business in hosiery with India, Egypt, South America, the Philippines, Netherlands East Indies and South Africa has correspondingly improved. Total value of exports from Hong Kong in 1931 amounted to nearly $2,500,000.

7. *Flashlight Torches and Batteries.*—These are manufactured in numerous local factories and owing to low labour costs and consequent low price they are in growing demand locally and for export. Exports during 1931 amounted to the value of $1.4 millions (torches) and $1 million (batteries).

8. *Shipbuilding.*—Six ocean going vessels and twenty smaller craft were built in local dockyards during 1931.

Chapter VII.

COMMERCE.

Despite the continued world-wide trade depression, and several other adverse factors more intimately affecting the commercial welfare of Hong Kong, trade returns compiled by the Statistical Office show that conditions in 1931 were, if anything, slightly better than in the year 1930, the total value of imports of merchandise amounting to $737.7 millions, an increase of $87.7 millions, while exports totalled $542 millions, an increase of $42 millions.

2. Only nine months' figures are available for the year 1930, and it is on the basis of these figures that the value of the total trade for that year has been liberally estimated.

3. Several factors other than the general depression in world trade combined to prevent any appreciable recovery in trade, chief among which were the following:—

(1) The continued low purchasing value of the silver currencies of Hong Kong and China;

(2) internal political troubles in China;

(3) serious floods in South China during the earlier part of the year, and in North China during the latter part of the year;

(4) increased Chinese tariffs which were enforced on January 1st, and which were later strengthened by an additional impost of 10% on practically all imports for flood relief purposes;

(5) the abandonment of the gold standard by Great Britain in September, causing a sudden rise in sterling exchange which dealers found difficult to assimilate;

(6) further depreciation of Australian currency;

(7) the Sino-Japanese dispute which resulted in a serious boycott of Japanese goods in October, and which persisted with increasing intensity until the end of the year, when there were no indications at all of any early resumption of trade with Japan.

4. Serving as it does as an entrepot for the distribution of Far Eastern, and in particular Chinese trade, it will be readily understood that the Colony is peculiarly sensitive to any reactions in China, with which country it is closely allied both geographically and commercially, and it follows, therefore, that a return to anything approaching normal conditions is almost entirely dependent on a greatly improved state of affairs in China.

5. As stated above, the sterling value of Hong Kong currency appreciated rapidly in sympathy with the decline in the value of the pound sterling, but this rapid appreciation caused considerable confusion in the market, and the full benefit to exporters in Great Britain was not reflected in Hong Kong trade figures.

6. Taken in conjunction with the Chinese boycott of Japanese goods, however, there was a distinct revival in the import trade from Great Britain in the piece-goods group. In the last quarter of the year imports of piece goods from Great Britain accounted for 30.4% of the total as compared with 18.9% in the corresponding quarter of 1930, while the Japanese share of this trade amounted to only 7.6% as compared with 31.6%.

7. The seriousness of the effect of the boycott can be seen from the fact that during the last quarter of 1931, the total imports from Japan were valued at only $8,018,000 (£515,000), as compared with $22,450,000 (£1,388,000) in the last quarter of 1930, the chief recessions being in the piece-goods group which fell from $10.2 millions to $2.6 millions, and the foodstuffs group (chiefly marine products) which declined from $4.4 millions to $.9 million.

8. During the year exchange fluctuated from an average of $11\frac{13}{16}$*d.* in January to 1*s.* 5½*d.* in December, and with a view to the better illustration of the trend of the trade of the Colony the following tables have been prepared in terms both of sterling and local currency :—

Imports (in £'s & $'s millions).

	1923.	*1924.*	*1925.*	*1930.*	*1931.*
1st Quarter	£ 14.7	19.3	16.3	x	9.0
	$130.7	165.4	139.7	x	186.9
2nd Quarter	£ 15.2	17.1	14.5	9.2	8.7
	$131.5	144.0	128.9	131.3	180.1
3rd Quarter	£ 14.3	19.2	x	10.1	9.0
	$127.1	161.7	x	156.8	182.3
4th Quarter	£ 17.8	16.5	x	10.3	11.8
	$155.3	136.6	x	167.4	188.4
Total	£ 62.0	72.1	30.8	29.6	38.5
	$544.6	607.7	268.6	455.5	737.7

Exports (in £'s & $'s millions).

	1923.	*1924.*	*1925.*	*1930.*	*1931.*
1st Quarter	£ 13.9	18.3	15.2	x	6.8
	$123.5	156.8	130.3	x	140.1
2nd Quarter	£ 16.3	15.2	14.1	7.4	6.4
	$140.9	128.0	125.3	105.9	132.5
3rd Quarter	£ 14.0	14.6	x	7.3	6.5
	$124.4	122.9	x	113.7	130.6
4th Quarter	£ 17.2	15.5	x	8.5	9.2
	$150.1	128.3	x	137.2	138.7
Total	£ 61.4	63.6	29.3	23.2	28.9
	$538.9	536.0	255.6	356.8	541.9

x No statistics available from July 1925 to March 1930.

Note: Average rate of exchange 1923 = 2*s.* 3½*d.*;
1924 = 2*s.* 4½*d.*;
1925 = 2*s.* 3½*d.*;
1930 = 1*s.* 3½*d.*;
1931 = 1*s.* 0¾*d.*

Treasure Movements.

9. During the year there was considerably less movement of inward Treasure than in 1930 although only nine months' figures were available for the latter year. Imports recorded $66 millions as against $141 millions and exports $122 millions as compared with $96 millions. The following table is self-explanatory :—

	Imports	*Exports*
	$	$
Bank Notes	1,047,045	3,192,001
Copper Cents	56,037	2,708,417
Gold Bars	6,842,100	50,656,676
Gold Coins	270,400	8,280,762
Gold Leaf	672,914	1,293,506
Silver Bars	37,710,863	40,155,252
H.K. Silver Dollar	1,099,341	10,000
Chinese Silver Dollar	13,937,264	10,461,979
Other Silver Dollar	154,220	260,460
Silver Sub. Coins	4,266,956	4,754,824
Total	66,057,140	121,773,880

IMPORTS AND EXPORTS 1924 AND 1931

(*excluding treasure*)

	IMPORTS.		EXPORTS.	
	1924	1931	1924	1931
	$	$	$	$
United Kingdom	80,328,000	78,251,000	6,329,000	5,247,000
British Dominions and Possessions	59,293,000	57,402,000	45,731,000	57,663,000
China	*	200,422,000	337,886,000	295,002,000
All other countries	473,700,000	401,665,000	151,286,000	184,138,000
Total British Empire	139,621,000	135,653,000	52,063,000	62,910,000
Total foreign	473,700,000	602,087,000	489,172,000	479,140,000
Grand Total	613,321,000	737,740,000	541,235,000	542,050,000

* Not fully recorded.

Wholesale Price Changes.

10. During the year 1931 commodity prices in Hong Kong showed increases of 29.8% as compared with the year 1924, 36.6% as compared with the base period of 1922, and an average index figure for all articles slightly more than double that for the year 1913.

11. As compared with the year 1922 world wholesale prices fell approximately 30%, and the increases in the Hong Kong index figures were almost entirely due to the depreciation of local currency which averaged 2*s*. $6\frac{5}{16}$*d*. in 1922, 2*s*. 4½*d*. in 1924, and 1*s*. 0¾*d*. in 1931.

12. The sterling value of Hong Kong currency showed an upward trend in the last quarter of the year following the cessation of gold exports from Great Britain, this being reflected in a slight fall in prices.

13. The following table shows the course of price changes since **1913**.

	1913	1922	1924	1931	1st. Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Foodstuffs	73.6	100.0	106.1	144.3	144.1	147.3	142.2	143.7
Textiles	55.1	100.0	112.5	135.8	147.9	143.1	128.7	123.5
Metals	63.2	100.0	102.3	140.9	138.5	143.8	143.3	138.2
Miscellaneous.....	64.2	100.0	106.3	125.4	129.7	127.5	118.6	125.5
Average all Articles.	64.0	100.0	106.8	136.6	139.8	140.4	133.2	132.7

Chapter VIII.

WAGES AND THE COST OF LIVING.

A great proportion of the workers in Hong Kong are paid on a piece work basis and in some trades are engaged and paid on curiously complicated systems involving payment of a bonus or a share in the yearly profits.

2. Trade has been dull for the greater part of the year and wages have, so far as can be ascertained, tended downwards. The building trade however, has been unusually busy as the result of a building boom and the development of newly reclaimed areas. The price of the cheaper grades of rice which is the staple food of the lowest paid workers, has not increased and remains at an average of five to eight cents per lb. The price of fire-wood which is also an important item to the poorer classes remains the same. There has been no apparent movement in house rents.

3. The low exchange in the early part of the year led to a considerable rise in the cost of articles imported from abroad but the poorer classes are hardly affected by the rise in the cost of foreign goods and local products were not affected to any great extent. An improvement in exchange later in the year has tended to lower the prices of imported foodstuffs.

4. The European resident, unlike the local labourer, purchases many articles of necessity which are imported from countries with sterling or gold currencies. With the rapid appreciation during the last two years of these currencies as compared with the local silver currency, prices of imported articles have steadily increased. On the other hand the abandonment of the gold standard by the United Kingdom in September had not by the end of the year been generally reflected in a corresponding fall in the local price of British goods. Until price fluctuations, owing to unstable exchange rates, over a larger part of his expenditure cease, it will not be possible to give accurate cost of living figures for the European resident.

AVERAGE RATES OF WAGES FOR LABOUR.

Building Trade.

Carpenters	$1.15	per	day
Bricklayers	1.10	,,	,,
Painters	1.20	,,	,,
Plasterers	1.10	,,	,,
Bamboo Workers	1.70	,,	,,
Labourers (male)	0.80	,,	,,
Coolies (female)	0.50	,,	,,

Working hours nine per day. Time and a half paid for overtime. Free temporary quarters provided on the building site and communal messing at cheap rates.

Shipbuilding and Engineering.

Electricians	$1.00	to	$1.70	per	day
Coppersmiths	1.00	to	1.80	,,	,,
Fitters	0.80	to	1.85	,,	,,
Sawmillers	0.50	to	1.40	,,	,,
Boilermakers	0.60	to	1.50	,,	,,
Sailmarkers	0.50	to	1.50	,,	,,
Blacksmiths	0.80	to	1.20	,,	,,
Labourers	0.50				

AVERAGE RATES OF WAGES FOR LABOUR.

Transport Workers

Tram drivers	$36 to $45	per month
Conductors	30 to 39	,, ,,
Bus drivers	50	,, ,,

Working hours nine per day. Free uniform. Bonus at end of year.

Railway workers (Government).

Engine drivers	$540 to $1,000	per annum
Firemen	330 to 480	,, ,,
Guards	600 to 1,000	,, ,,
Signalmen	600 to 1,000	,, ,,
Station Masters	1,100 to 1,800	,, ,,
Booking Clerks	600 to 1,000	,, ,,
Telephone operators	480 to 1,000	,, ,,

Female Workers in Factories.

Cigarette making	$0.40 to $0.60	per day
Knitting factories	0.20 to 0.50	,, ,,
Perfumery	0.20 to 0.60	,, ,,
Confectionery	0.20 to 0.60	,, ,,

Working hours from 7 a.m. to 5 p.m. One hour off at mid-day Overtime from 6 p.m. to 9 p.m. at day rates.

Domestic Servants.

Employed by Chinese	$7.00 to $20.00	per month
Employed by Europeans...	15.00 to 40.00	,, ,,
Gardeners	15.00 to 30.00	,, ,,

With free lodging and with Chinese employers generally free board.

AVERAGE RETAIL PRICES OF FOODSTUFFS, ETC.

...	*1930.*	*1931.*
Rice (3rd grade)	9.2 cts. per catty	8.6 cts. per catty.
Fresh fish	26.2 ,, ,, ,,	25 ,, ,, ,,
Salt fish	33.7 ,, ,, ,,	32 ,, ,, ,,
Beef	49 ,, ,, ,,	49 ,, ,, ,,
Pork	54 ,, ,, ,,	53 ,, ,, ,,
Oil	23.2 ,, ,, ,,	23 ,, ,, ,,
Firewood	10 cts. per 7 catties	10 cts. per 7 catties

Chapter IX.

EDUCATION AND WELFARE INSTITUTIONS.

Government Schools.

These are either schools where the medium of instruction is English or mostly English or schools where the medium of instruction is Chinese. The former, sixteen in number, are known as "English" schools, the latter of which there are three as "Vernacular" schools.

2. Of the four English schools, classed as "secondary" schools in the Table below, two are Anglo-Chinese schools for boys and one is for girls. These three schools have primary departments. The fourth school, the Central British School which is a mixed school, has no primary department. Of the twelve English schools, classed as "primary" schools in the Table below, four are mixed schools preparing for the Central British School In this group are also four "District" schools, including one for Indian boys and four "Lower Grade" schools, three of which are in rural districts. In those English schools which are attended by Chinese the study of English and of Chinese is carried on side by side; the *pari passu* system requiring that promotion shall depend on proficiency in both languages.

3. Of the three Government Vernacular schools one has a seven years course and includes a Normal department. There is also a Normal school for women teachers and a Normal school on the mainland which aims at providing Vernacular teachers for rural schools.

4. The Technical Institute, classed in the Table below as "vocational", is attended by persons desirous of receiving instruction for the most part germane to their daytime occupations.

Grant in Aid and Subsidized Schools.

5. There are twelve Grant-in-Aid English Schools, and four Grant-in-Aid Vernacular Schools. Of the former, six are schools for boys and six are for girls.

6. One English school for boys and one for girls have primary departments only. The remaining ten, classed in the Table below as "secondary" schools, have primary departments as well as the upper classes.

7. The Vernacular Grant-in-Aid Schools are schools for girls and are classed in the Table as "secondary" schools.

8. The 296 subsidized schools are all Vernacular schools

Unaided Schools.

9. In 1931 there were 617 unaided Vernacular schools with 30,423 children and 122 unaided English schools with 7,401 children.

TABLE SHOWING NUMBER OF SCHOOLS AND SCHOLARS FOR THE YEAR 1931.

CLASS OF INSTITUTIONS	GOVERNMENT SCHOOLS		GRANT IN AID AND UBSIDIZED SCHOOLS		UNAIDED SCHOOLS	
	No. of Institutions	On Roll	No. of Institutions	On Roll	No. of Institutions	On Roll
ENGLISH :—						
Secondary.	4	2,336	10	4.580	1	160
Primary..	12	1,757	2	398	121	7.241
Vocational.	1	686	...	...	...	...
Total..............	17	4,779	12	4.978	122	7,401
VERNACULAR :—						
Secondary.	1	262	4	1,002	...	...
Primary.........	...	...	296	19,398	617	30,423
Vocational.	2	204	1	146	...	...
Total...............	3	466	301	0.546	617	30,423

Grand Total of No. of Institutions......... 1.072

Grand Total of No. on Roll 68,593

The University.

10. The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

11. The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall. There are also three recognized hostels for men, St. John's Hall, Morrison Hall and Ricci Hall. No University hostel at present exists for women students.

12. The late Sir Hormusjee Mody bore the entire expense of the erection of the main building. Additions have been made through the liberality of benefactors of varied nationality and domicile. The latest addition to the buildings is a School of Chinese Studies, the cost of which was borne by Mr. Tang Chi Ngong a local Chinese merchant and banker.

13. The annual income of the University for 1930 amounted to about $892,000 of which about $290,000 was derived from endowments and $390,000 from Government. Messrs. John Swire & Sons Ltd. gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockefeller Institute has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000. The Government Grant was increased in 1930 from $90,000 to $390,000 to enable the University to meet its increased financial obligations due mainly to the fall in exchange. The annual expenditure in 1930 amounted to about $846,000.

14. The University included the three faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognized as equivalent thereto.

15. The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D., and M.S. are awarded on examinations but are subject to the proviso that every candidate for the degree shall produce evidence of special post-graduate experience in the subject which he presents. The degrees above mentioned are recognized by the General Medical Council for registration in Great Britain.

16. The Faculty of Engineering provides a four years course in practical and theoretical engineering, leading to the degree of B. Sc., (Eng.). Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

17 The Faculty of Arts includes departments of pure arts and science, social science, commerce and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

18. With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

19. The degree of LL.D. is granted *honoris causa*.

Charitable Institutions.

20. The following are the best known Charitable Institutions.

French Convent Orphanage.
Italian Convent Orphanage.
Maryknoll Convent, Kowloon.
St. Louis Industrial School.
Po Leung Kuk—Chinese.
Victoria Home and Orphanage.
Society of Precious Blood Hospital.
Home for Aged Poor, Kowloon.
La Calvaire Home for Aged Poor, Happy Valley.
Eyre Refuge.
Salvation Army Home.
Industrial Home for the Blind, Poktulam.

Recreation and Art.

21. Most of the schools contrive to hold Annual Sports either on their own grounds or on grounds generously lent by local Cricket and Football Clubs. Some schools are granted free use of Government Bathing Beaches for four afternoons a week during the Bathing Season. Lawn Tennis, Football, Swimming, Volley Ball and Basket Ball continue to increase in popularity. Cricket is played at a few schools. Physical training is given by qualified instructors. Art is taught in the Government British Schools by Trained Art Mistresses.

Chapter X.

COMMUNICATION AND TRANSPORT.

The external communications of Hong Kong are excellent both by sea and by telegraph, cable and radio. As regards the former, the Peninsular and Oriental Steam Navigation Co., the Nippon Yusen Kaisha, the Blue Funnel Line, the Messageries Maritimes, and several other British and foreign companies maintain regular passenger and freight services between Hong Kong and Europe. The trans-Pacific communications are well served by the Canadian Pacific Steamships Ltd., the Dollar Line, the Nippon Yusen Kaisha, and other steamship lines. To Australia three steamship companies, the Eastern and Australian, Nippon Yusen Kaisha, and Australian and Oriental maintain regular passenger and freight services. In addition there are direct sailings to Africa, South America, and to New York. There is frequent and regular communication between Hong Kong and other Far Eastern ports in India, Java, Straits

Settlements, Formosa, Indo-China, Japan and the China coast. Local steamship communication is by river steamer from Hong Kong to Canton and the West River ports with several sailings daily. In addition there is a vast traffic between Hong Kong and the adjacent provinces of China by junk and sampan.

2. The total Shipping entering and clearing Ports in the Colony during the year 1931 amounted to 107,262 vessels of 44,150,021 tons which, compared with the figures of 1930, shows an increase of 13,172 vessels and an increase of 1,959,409 tons. Of the above 51,801 vessels of 41,933,748 tons were engaged in Foreign Trade as compared with 49,609 vessels of 40,511,650 tons in 1930. There was an increase in British Ocean-going shipping of 113 vessels and an increase of 183,239 tons. Foreign Ocean-going vessels show a decrease of 735 vessels and a decrease of 87,901 tons. British River Steamers showed an increase of 865 vessels and an increase of 705,564 tons. Foreign River Steamers showed an increase of 678 vessels and an increase of 222,413 tons. In Steamships not exceeding 60 tons employed in Foreign Trade there was an increase of 885 vessels with an increase in tonnage of 187 tons. Junks in Foreign trade showed an increase of 386 vessels and an increase of 398,596 tons. In Local Trade (*i.e.* between places within the waters of the Colony) there was a decrease in Steam Launches of 1,895 vessels and a decrease in tonnage of 61,250. Junks in Local Trade show an increase of 12,875 vessels and an increase of 598,561 tons.

3. The Eastern Extension Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provides good connections with Europe *via* India, with Australasia, and with the other British Colonies and possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; and the system of the Great Northern Telegraph Company gives a good service to Europe *via* Asiatic Russia.

4. The Government operates a commercial radio service with direct communication with Chinese stations, Siam, and the Dutch East Indies. Indirect communication between Hong Kong and Europe is maintained *via* Manila and the United States of America.

5. The revenue collected by the Radio Office during the year from radio telegrams amounted to $679,028.51, an increase of $247,637.83 on the amount collected in 1930. Advices of vessels signalled at the Lighthouses yielded $1,224.80. Semaphore messages $10.15. The total Revenue from the Telegraph Service amounted to $680,263.46. Ship Station Licences yielded $1,606.25. Amateur Transmission Station

Licences $214.75, Broadcast Receiving Licences $15,664.50, Dealers Licences $2,480.00 and Examination Fee for Operators' Certificates of Proficiency $72.00.

6. The number of paid radio-telegrams forwarded during the year was 214,274 consisting of 1,694,362 words against 132,132 consisting of 1,125,559 words in 1930, and 184,183 were received, consisting of 1,690,206 words against 121,855 consisting of 1,161,115 words.

7. In addition to the paid traffic figures given above the Wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 499 messages or 273,832 words from Rugby, the collection and distribution of meteorological traffic, having forwarded 6,102 messages 239,574 words, and received 13,766 messages 257,351 words, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc.

8. At the end of August 1931, a telephone service between Hong Kong and Canton, a distance of 110 miles was formally opened.

9. *Mails*.—The number of mail receptacles of Hong Kong origin despatched during the year was 48,748 as compared with 48,123 in 1930—an increase of 625; the number received was 52,568 as compared with 50,424—an increase of 2,144.

10. Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 210,217 as against 182,030 in 1930—an increase of 28,187.

11. Registered Articles and Parcels—The number of registered articles handled amounted to 806,733 as compared with 842,678 in 1930—a decrease of 35,945.

12. The figures for insured letters were 19,522 and 18,887 respectively—an increase of 635.

13. Parcels, ordinary and insured, which were dealt with reached total of 382,170 as against 428,849 in 1930—a decrease of 46,679.

14. The Kowloon-Canton Railway maintains a daily service of two express trains each way between Kowloon and Canton. The journey occupies 3½ hours. The three new express locomotives obtained in 1930 on behalf of the Chinese Section were put into regular service on May 3rd, 1931, and hauled the express trains between Kowloon and Canton for the remainder of the year. These engines are still in the possession of the British Section, haulage charges being paid by the Chinese Section.

15. The total steam train mileage run amounted to 309,292½ miles. This includes trains run over the Chinese Section to and from Canton. The Motor Coach mileage was 17,297 miles. 2,002,512 passengers were carried during the year.

16. The general Railway revenues showed a steady increase, and by the end of the year General Revenues had amounted to $1,095,098.77 against $973,128.63 for the previous year. General Revenue exceeded Operating Expenses by the very satisfactory sum of $150,094.76.

17. Additions to Capital were small. A new air compressor and motor was installed in the Workshops, and a short length of track laid in connection with the Sheung Shui Station Extensions.

18. There was a serious wash-out at mile 9¾ on 20th April causing the derailment of a local passenger train, when eleven passengers were killed and nine injured. The line was closed until 3rd May whilst repairs were effected.

19. There are 377 miles of roads in the Colony, 161 miles on the Island of Hong Kong and 216 miles in Kowloon and the New Territories. Of the total mileage 293 miles are constructed in water bound macadam dressed with asphalt, 12 miles in sheet asphalt on a cement concrete foundation, 13 miles of tar macadam, 17 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 39 miles of gravel.

20. The public travelling over the Colony's roads increases year by year with a corresponding growth in the number of motor buses, of which there are 56 operating on the island of Hong Kong, and 118 on the mainland. These are gradually replacing the rickshas, the number of which decreases year by year.

21. The Hong Kong Tramway Company has a fleet of nearly 90 double deck tram-cars running along the sea front of Victoria from Kennedy Town to Shaukiwan.

22. Communication between the island and the mainland is maintained by a number of ferry services; the most important of which are the Star Ferry between Kowloon Point and a pier near the General Post Office, and the Hong Kong and Yaumati Ferry Company between Yaumati and a pier also centrally situated on the sea front of the island. The number of passengers carried by these two ferry companies in 1931 is estimated at 37,691,700.

Chapter XI.

BANKING, CURRENCY, WEIGHTS & MEASURES.

The Colony is well served by banking institutions. There are sixteen principal banks doing business in the Colony who are members of the Clearing House, and in addition several Chinese banks and numerous native Hongs doing some portion of banking business. There are no banks which devote themselves specially to agricultural and co-operative banking. The Hongkong and Shanghai Banking Corporation also conducts the business of the Hong Kong Savings Bank on usual savings bank principles.

2. The Currency of the Colony is based on silver and is governed by the Order in Council of 2nd February, 1895. The dollar, which is normally in circulation and which is legal tender to any amount, is the British Dollar of 900 millesimal fineness and weight 26.957 grammes (416.00 grains). Silver subsidiary coins of the value of 5, 10, 20 and 50 cents and one cent pieces in bronze are also legal tender up to the value of two dollars for silver and one dollar for bronze. Bank notes issued by The Hong Kong & Shanghai Bank, The Chartered Bank and The Mercantile Bank are also in circulation, the estimated amount issued at the end of 1931 being $154,631,822.

3. The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = $0.013\dot{3}$ ounces avoirdupois

1 tsin (mace) = $0.13\dot{3}$ ounces avoirdupois

1 leung (tael) = $1.3\dot{3}$ ounces avoirdupois

1 kan (catty) = $1.3\dot{3}$ pounds avoirdupois

1 tam (picul) = $133.3\dot{3}$ pounds avoirdupois

and

1 chek (foot) = 14⅝ English inches divided into 10 tsun (inches) and each tsun into 10 fan or tenths.

Chapter XII.

PUBLIC WORKS.

The activities of the Public Works Department are carried out under the Head Office Staff by eleven sub-departments, *viz*:—Waterworks, Construction; Waterworks, Maintenance; Drainage; Architectural and Maintenance of Buildings; Electrical and Wireless Telegraphy; General Works, Roads and Transport; Buildings Ordinance; Port Development; Crown Lands and Surveys; Valuation and Resumptions; and Accounts and Stores. The European staff comprises 153 officers and the Asiatic 529.

2. *Buildings.*—The following were the principal works completed during the year:—A Printing Shop at Victoria Gaol; Quarters for Wireless Operators at Victoria Peak; Latrine and Bathhouse on Praya East; Latrine and Urinal at Davis Street (30 seats); block of six flats for Married Warders at Lai Chi Kok Prison; Kowloon Tong Market; School at Un Long; and Quarters for Forestry Reserve, Tai Po. In addition the following works were under construction during the year:—No. 2 Police Station; Market at Sai Ying Pun; Market at Praya East Reclamation; Maternity Block at Kowloon Hospital; Kowloon British School Site; and Female Prison at Lai Chi Kok.

3. *Communications.*—The following works were completed:—Road from Causeway Bay to Quarry Bay, section 70 feet wide, opposite M.Ls. 430 and 431; Tong Mi and Kowloon Tong, filling in areas; reclamation at Kai Tak; and Castle Peak Road, section from Cheung Sha Wan to Lai Chi Kok to Town Planning Layout (60 feet wide). The following works were under construction:—Chatham Road extension; filling in area North West of Nan Chang Street; filling in area West of Tai Po Road, and Refuse Dump at Cheung Sha Wan. The erection of Hangar at Kai Tak was under construction and was nearly completed by the end of the year. Portions of Nathan Road and Lai Chi Kok Road were reconditioned and strengthened with 7" reinforced cement concrete surfacing. Alterations to the traffic arrangements at Tsim Sha Tsui were completed. The surfacing of roadway to the Kai Tak Aerodrome was commenced.

4. *Drainage.*—New sewers and storm water drains in Hong Kong were constructed to a length of 6,186 feet. Improvements were effected to the main sewer in Aberdeen Valley. Stream courses were trained to a length of 263 feet. New sewers and storm water drains in Kowloon were constructed to a length of 12,682 feet. New sewers and storm water drains in New Kowloon were constructed to a length of 15,471 feet. One side wall and invert North of Camp, Shamshuipo and Un Long Nullahs and Improvements were completed.

5. *Water Works.*—Two steel balance tanks were erected at West Point Filters. The reconstruction of Bowen Road Conduit between Tai Tam Tunnel and Stubbs Road was completed. 15,923 feet of water mains of varying sizes were laid in Hong Kong and 11,896 feet in Kowloon.

6. The Aberdeen Scheme Pipe Line (8,620 linear yards in length) and the connecting tunnel were completed. The Aberdeen Upper Dam was completed and opened on December 15th by His Excellency the Governor Sir William Peel, K.C.M.G., K.B.E. The First Section of the East Catchwater and the Outfall Section of the West Catchwater were completed and the 1st Section of the West Catchwater was commenced. Partial demolition of the Lower Aberdeen, or old Paper Works Dam was commenced. The Upper and Lower Pumping Stations and Depot were completed and occupied. The new Rapid Gravity Filter Plant at Elliot, four million gallons per day capacity, was completed and brought into use. The Aberdeen Scheme was brought into use and the water taken into supply on August 1st, one year and nine months after commencement of the works.

7. The 3" Fanling supply main was duplicated for a length of 6,900 feet. Further trial pits at Shing Mun Gorge Dam Site were sunk for the Consulting Engineer who visited and inspected them early in the year and reported favourably on the site. The site was later opened up over a considerable width and one of the Consulting Engineers again inspected and reported favourably. The Hong Kong Public Gardens Service Reservoir, the last item of the 1st Section of the Shing Mun Scheme, was commenced and good progress was made. The Kowloon Byewash Reservoir was completed and brought into use, forming a link between the Shing Mun Scheme and the older works.

8. *Reclamations.*—At Tsat Tze Mui a reclamation of about 2½ acres was carried out. An area of 1½ acres approximately has been reclaimed for traffic adjoining the ferry pier under construction at Jordan Road. The China Light and Power Co. reclaimed an area of about five acres at To Kwa Wan. The reclamation at Cheung Sha Wan was extended by further dumping of Sanitary Department refuse; the total of the area now formed amounts to about twelve acres.

9. *Piers.*—The piers at Wilmer Street, Mongkok, Shamshuipo, and the pier in structural steel for the Hung Hom Government Store were completed. A commencement was made with the two piers, one on the mainland and one on the island, for the Vehicular Ferry.

10. *Electrical Works.*—The installation of an additional 100 line switchboard was completed at the Kowloon Government Telephone Exchange, and a new broadcast transmitter was obtained from England and installed at Cape D'Aguilar. In addition electric light and power installations were fitted to certain Government buildings, and the Government's lighting and telephone systems maintained.

11. *Buildings Ordinance Office.*—Activity continued in all classes of building work throughout the Colony. European residences to the number of 232 were completed during the year. The number of Chinese houses completed was 1,144.

12. On the Praya East Reclamation, 360 Chinese tenement houses were completed during the year, while over 200 more were in course of erection. It is noticeable that the improved type of Chinese tenement house which is now being erected has brought with it a demand for modern sanitation, and where sewer facilities exist and an independent and adequate water supply is available, it is now common practice for all new houses to be fitted with a flush system.

13. Several large buildings of a semi-public nature were completed during the year including banking premises, theatres, buildings of a scholastic and religious nature and hospitals. Industrial buildings included knitting factories, canning factories, and an extensive reconstruction of the Green Island Cement Company's premises at Hok Un.

14. A concrete wharf 800 feet in length and 48,000 square feet in area was in course of construction opposite K.M.L. 11, Kowloon Point. A timber pier opposite K.M.L. 90, To Kwa Wan was completed.

15. Reclamations were completed at N.K.I.L. 971, Castle Peak Road, area in square feet 24,750; and at Tsun Wan M.L. 4, area in square feet 74,900. A reclamation was in progress at I.L. 2918, Shaukiwan Road, area in square feet 102,700.

Chapter XIII.

JUSTICE AND POLICE

1. *The Courts of Hong Kong.*

The Supreme Court of Hong Kong consists of a Chief Justice and one or more other judges. At present there is one other judge.

2. The jurisdiction of the Court is regulated by a number of Ordinances but generally it may be said that the Court exercises a Summary Jurisdiction in all actions where the claim does not exceed $1,000 and an Original Jurisdiction in all actions where the claim exceeds that amount.

3. In addition to the above the Court exercises Admiralty, Probate, Bankruptcy, Lunacy, Criminal and Appellate Jurisdiction.

4. The following is a brief summary of litigation and matters dealt with during the year 1931:—

1,777 actions were instituted in the Summary Jurisdiction and the amounts for which judgment was given totalled $238,617.47.

336 actions were instituted in the Original Jurisdiction and the amounts for which judgment was given totalled $1,406,802.11.

15 actions were instituted in the Admiralty Jurisdiction.

318 grants were made in the Probate Jurisdiction.

80 persons were indicted in the Criminal Jurisdiction of whom 57 were convicted

11 Appeals were lodged in the Appellate Jurisdiction 8 of which were heard during the year.

5. The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over all land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

6. The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, one for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates.

7. The following figures show the amount of work done by the lower courts in 1931:—

Civil:—

District Officer North,	
Land Court	36 cases.
Small Debts Court	83 cases.
District Officer South,	
Land Court	180 cases.
Small Debts Court	48 cases.

Criminal:—

Hong Kong Magistracy, two courts	22,628 cases.
Kowloon Magistracy, one court	15,289 cases.
District Officer North, one court	655 cases.
District Officer, South, one court	159 cases.

II. *The Police.*

8. The Police Force of the Colony is under the control of the Inspector General of Police who is assisted by one Deputy Inspector General and eight Superintendents. The force consists of four Contingents, European, Indian, Chinese (Cantonese) and Chinese (Weihaiwei). The strength of the different Contingents is as follows:—

Europeans	244
Indians	680
Chinese (Cantonese)	585
Chinese (Weihaiwei)	261

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of thirty-one Russians and twenty-eight Indian Guards, together with six European Sergeants, eight Indian Sergeants and ninety-five Weihaiwei Chinese Constables, who are included in the Police strength. The Anti-Piracy Guards are employed and paid for by Shipping Companies for service in the China Seas.

9. Further, the department engages and supervises 1,129 Indian and Chinese watchmen who are paid by private individuals for protection of private property.

10. The waters of the Colony are policed by a fleet of ten steam launches and three motor boats which employ a staff of two hundred and forty-four Chinese under European officers.

11. There were 5,284 serious cases of crime in 1931 as against 5,681 in 1930, a decrease of 397 or 7.5%. There was a decrease of 56 cases in house breaking, of two in burglaries and of 228 in larcenies. Murder showed a decrease of four cases; robberies an increase of 23 cases, a total of 79 cases as against 56 cases in 1930. There were 17,444 minor cases in 1931 as against 19,250 in 1930; a decrease of 1,806 cases or 9.3%.

III. *Prisons.*

12. There are two prisons in the Colony. Victoria Gaol in Hong Kong is the main prison and includes a section for females. This prison is built on the separate system, but segregation is difficult owing to lack of space and accommodation. It contains cellular accommodation for 644 only and prisoners often have to sleep in association through unavoidable overcrowding. There is a branch prison at Lai Chi Kok near Kowloon, with accommodation for 480 prisoners. In this establishment all the prisoners sleep in association and only selected prisoners are sent there as the prison was not originally built as a prison. It was converted from a Quarantine Station in 1920, for temporary use pending the building of a new prison. A new general prison is to be commenced in 1932. A new female prison is in course of construction near the Lai Chi Kok Branch Prison.

13. The total number of persons committed to prison in the year 1931 was 6,767 as compared with 6,493 in 1930. The daily average number of prisoners in the prisons in 1931 was 1,102. The highest previous average was 1,189 in 1927. Over 90% of the prisoners admitted are persons born outside the Colony.

14. The health of the prisoners generally was well maintained in the prisons. The diet scales were revised and new dietaries approved as from May, 1931. The new dietaries have so far proved satisfactory from a medical point of view.

15. Owing to reconstruction at Victoria Gaol the prisoners were overcrowded in the workshops at the beginning of the year and there was a certain amount of trouble, but the general conduct steadily improved after the new diets were approved and when the new shops were completed. The agitation in Victoria Gaol was reflected in Lai Chi Kok but the measures adopted restored discipline, which is now good in both prisons.

16. Prisoners are employed at printing, bookbinding, tinsmithing, matmaking, tailoring, carpentering, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of the Government printing and bookbinding is done in Victoria Gaol.

17. A small separate ward is reserved in Victoria Gaol for Juveniles who are kept as far as possible apart from other prisoners. The daily average number of Juveniles in 1931 was 4.5. A school-master attends daily to instruct them. In 1929 the daily average was high and a separate hall was set aside at Lai Chi Kok for Juveniles, but the number is now so small that it has been found more expedient to deal with them in Victoria Gaol.

18. With the coming into operation of the Juvenile Offenders' Ordinance No. 1 of 1932 and the Industrial and Reformatory Schools Ordinance No. 6 of 1932, it is anticipated that the number of juvenile prisoners will in future be practically nil. These Ordinances provide for the establishment of juvenile courts, probationary officers, industrial and reformatory schools and modes of correction, other than imprisonment, for young offenders.

19. Police Magistrates may, under the provisions of the Magistrates Ordinance No. 3 of 1890, give time for the payment of fines.

20. Lady visitors attend the Female Prison twice weekly to instruct the prisoners in hand-work and to impart elementary education.

21. Visiting Justices inspect and report on both prisons every fortnight.

Chapter XIV.

LEGISLATION.

Forty Ordinances were passed during the year 1931. These and also the Regulations, Rules, By-laws and other subsidiary legislative enactments are published in a separate volume in blue book form by the Government Printers. The forty Ordinances comprised two appropriation, two replacement, two incorporation, two consolidation, thirty amendment and two Ordinances which were new to the Colony

2. The Appropriation Ordinance (No. 31) applied a sum not exceeding $26,641,787 to the public service for the year 1932, and Ordinance No. 14 appropriated a supplementary sum of $2,486,577.02 to defray the charges of the year 1930.

3. The two replacement Ordinances were the Census Ordinance (No. 4), which was based on the Census Act, 1920, and replaced Ordinance No. 2 of 1881, and the Bankruptcy Ordinance (No. 10), which was based on the Bankruptcy Act, 1914, and replaced Ordinance No. 7 of 1891.

4. Ordinance No. 9 incorporated the Procurator for the time being in the Colony of the Salesian Society and Ordinance No. 19 incorporated the trustees for the time being of the Hop Yat Tong Church of Christ Hong Kong. These Ordinances followed the usual lines adopted in such cases.

5. The Liquors Ordinance (No. 36) and the Tobacco Ordinance (No. 39) consolidated the Ordinances on those subjects.

6. The Ordinances new to the Colony were the Nurses Registration Ordinance (No. 1), based on the Nurses Registration Act, 1919, and the Betting Duty Ordinance (No. 4) which made provision for the taxation of bets on authorised totalisators or pari-mutuels and on contributions or subscriptions towards authorised cash sweeps, the duty on the former being 3 per cent. and on the latter 5 per cent. of the amount paid, contributed or subscribed.

7. The thirty amending Ordinances, many of which were passed wholly or in part to authorise an increase in fees and rates charged so as to provide revenue to make up in some measure for the fall in the value of the silver dollar, covered a wide range of subjects such as Widows' and Orphans' Pensions (No. 2), Public Health (Nos. 3 and 18), Merchant Shipping (Nos. 5 and 11), Estate Duty (No. 6), Deportation (No. 7), Larceny (No. 8), Vaccination (No. 12), Legal Practitioners (No. 13), Summary Offences (No. 15), Rating (No. 16), Criminal Procedure (No. 17), Supreme Court (No. 20), Magistrates (No. 21), Official Signatures Fees (No. 22), Police Force (No. 23), Liquors (No. 24), Gunpowder and Fireworks (No. 25), Births and Deaths Registration (No. 26), Moneylenders (No. 27), Land Registration (No. 28), Stamps (No. 29), Peace Preservation (No. 30), Civil Procedure (No. 32), Arms and Ammunition (No. 33), Suitors Funds (No. 34), Full Court (No. 35), Public Revenue Protection (No. 37) and United Kingdom Patents (No. 38).

8. Similarly the subsidiary legislation covered a wide range of subjects including Post Office, Arms and Ammunition, Vehicles and Traffic, Merchant Shipping, Suppression of Piracy, Census, Opium, Public Revenue Protection, Tobacco, New Territories, Liquors, Suitors' Funds, Dangerous Drugs, Pilots, Dangerous Goods, Mercantile Marine Examinations, Licensing,

Emergency Regulations, Estate Duty, Rating, Prisons, Nurses, Hong Kong University, Stamps, Dogs, Public Places, Telephones, Wild Birds, Asiatic Emigration, Supreme Court, Places of Public Entertainment, Bills of Sale, Bankruptcy, Probates, Births and Deaths, Cemeteries, Public Health and Buildings, Trade Marks, Female Domestic Service, Pawnbrokers, Prospecting and Mining, United Kingdom Patents, Waterworks, Motor Spirit, Entertainment Tax, Gunpowder and Fireworks, Money-lenders, and Volunteers.

9. Factory legislation and legislative provision for compensation for accidents, sick pay and old age pensions such as obtains in the United Kingdom has not been adopted in the Colony where the labour population is mainly alien and fluctuates, coming from or returning to China according to the demand for its services.

Chapter XV.

PUBLIC FINANCE & TAXATION

The following tables show the Revenue and Expenditure for the five years 1927 to 1931 inclusive.

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit.*
1927 ……	$21,344,536	$20,845,065	$499,471	—
1928 ……	24,968,399	21,230,242	3,738,157	—
1929 ……	23,554,475	21,983,257	1,571,218	—
1930 ……	27,818,474	28,119,646	—	$301,172
1931 ……	33,146,724	31,160,774	1,985,950	—

2. The revenue for the year 1931 amounted to $33,146,724 being $5,657,965 more than estimated and $5,328,250 more than the revenue obtained in 1930.

3. Increased Duties on liquor and tobacco account for $1,750,000 of the increase and higher rates of Port and Harbour Dues for $400,000. The assessed taxes (rates) were raised by 4% and resulted in an increase of about $1,600,000 in 1931 over the figures for 1930. Increased Stamp Duties and an Entertainment Tax brought in a further $1,100,000 and increased Postage Rates $660,000. Land Sales were also up to the extent of $300,000.

4. The expenditure for the year 1931 amounted to $31,160,774, being $1,372,919 more than estimated and $3,041,128 more than the expenditure in 1930.

5. Substantial savings were effected in the Harbour Department, Medical Department, and Sanitary Department by deferring the purchase of new equipment and reducing the maintenance work to a minimum.

6. On most other heads, however, the expenditure exceeded the estimate mainly as a result of the fall in exchange—the estimates being based on a rate of 1s /4d. = 1 dollar whereas the Treasury rate averaged 1s /-$^{3}/_{16}$d. = 1 dollar.

7. *Debt.*—The total amount of sterling debt outstanding at the close of 1931 was £1,485,732.16.5; the sinking fund for its redemption amounting to £707,585. There is also the 1927 Public Works Loan of $4,927,000; the sinking fund for which amounted at the end of 1931 to £89,975.

8. The Assets and Liabilities of the Colony on the 31st December, 1931, are shown in the following statement :—

LIABILITIES.	$ c.	ASSETS.	$ c.
DEPOSITS :—		ADVANCES :—	
Contractors and Officers Deposits..	415,261.81	On account of Future Loan ...	3,484,014.01
Suitors Fund	590,712.07	Purchase of three Locomotives for Chinese Section Kowloon-Canton Railway	447,468.26
Miscellaneous Deposits	2,611,171.02	Miscellaneous	83,036.70
Postal Agencies	1,451.91	Building Loans	1,053,924.31
Suspense Account	923,010.85	Imprest Account......	6,330.31
Exchange Adjustment..	332,099.29	Subsidiary Coin	1,296,805.90
Trade Loan Reserve ...	1,045,389.41	INVESTMENTS :—	
Praya East Reclamation	142,642.33	Surplus Fund	1,363,431.80
Coal Account	2,672.68	Crown Agents Remittances.......... ...	41,588.44
Crown Agents—Overdraft......................	1,357.16	Trade Loan Outstanding	1,232,579.76
		Unallocated Stores, (P. W. D.),.........	517,248.14
		Unallocated Stores, (Railway)	163,545.31
		Lorry Haulage Account	1,743.26
		CASH BALANCE :—	
Total Liabilities ...	6,065,768.53	Treasurer	3,588,678.89
		* Joint Colonial Fund..	2,303,999.99
Excess of Assets over Liabilities	11,347,629.47	Fixed Deposits ...	1,828,999.92
Total ......$	17,413,398.00	Total ......$	17,413,398.00

* Joint Colonial Fund £159,000 0*s*. 0*d*.

9. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of $5,814,017 being collected in 1931. This represents 17.5% of the total revenue or 19.4% of the revenue exclusive of land sales. The rates vary from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues and Buoy Dues brought in the sum of $813,922.

10. Duties on intoxicating liquors realised $2,416,839, tobacco $3,364,522, postage stamps and message fees $2,035,939. A considerable sum is also derived from the opium monopoly, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realised $3,177,808. The receipts of the Kowloon Canton Railway which was completed in 1910 amounted to $1,095,099.

11. *Customs Tariff.*—There is an Import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no Export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement.

12. The duties on imported liquor range from $0.60 per gallon on beer to $1.20 on Chinese liquor and to $10 on sparkling European wines and perfumed spirits. The duties are collected on a sterling basis; the conventional dollars in the tariff being converted at a rate which is varied from time to time according to the market rate of exchange between the local dollar and sterling.

13. The duties on tobacco range from $0.70 per lb. on the lowest taxed unmanufactured tobacco to $2 per lb. on cigars. The duties are collected on a sterling basis in the same manner as the liquor duties.

14. A duty of 25 cents per gallon is payable on all light oils imported into the Colony.

15. *Excise and Stamp Duties.*—The same duty is imposed on liquors (mainly Chinese type) manufactured in the Colony as on imported liquors.

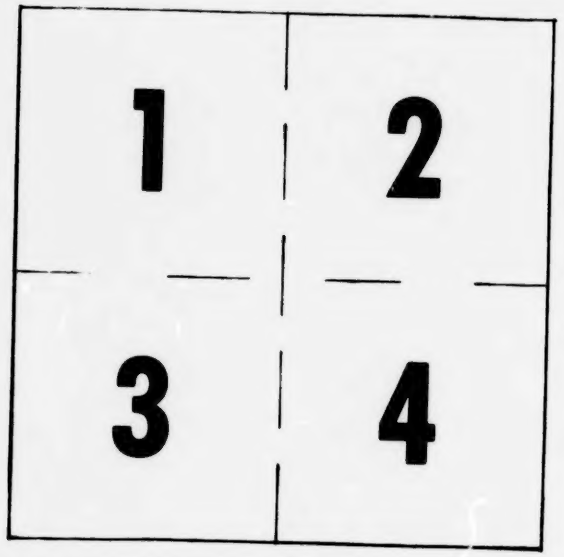
16. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly *ad valorem*. The following are examples of the duties charged:—Affidavits, Statutory Declarations, etc., $3; Bills of Exchange (inward) and Cheques, 10 cents; Bills of Lading, 15 cents when freight under $5, 40 cents when freight over $5; Bond to secure the payment or repayment of money, 20 cents for every $100 or part thereof; Conveyance on sale, $1 for every $100 or part; Mortgages, principal security, 20 cents for every $100 or part; Life Insurance Policy, 25 cents for every $1,000 insured; Receipt, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

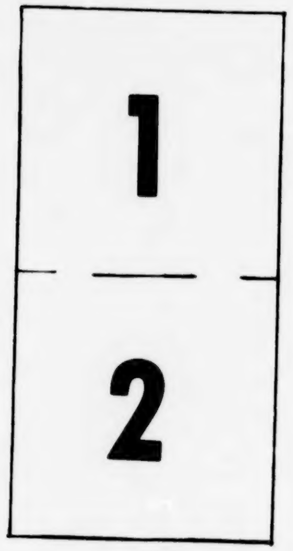
17. No Hut Tax or Poll Tax is imposed in the Colony.

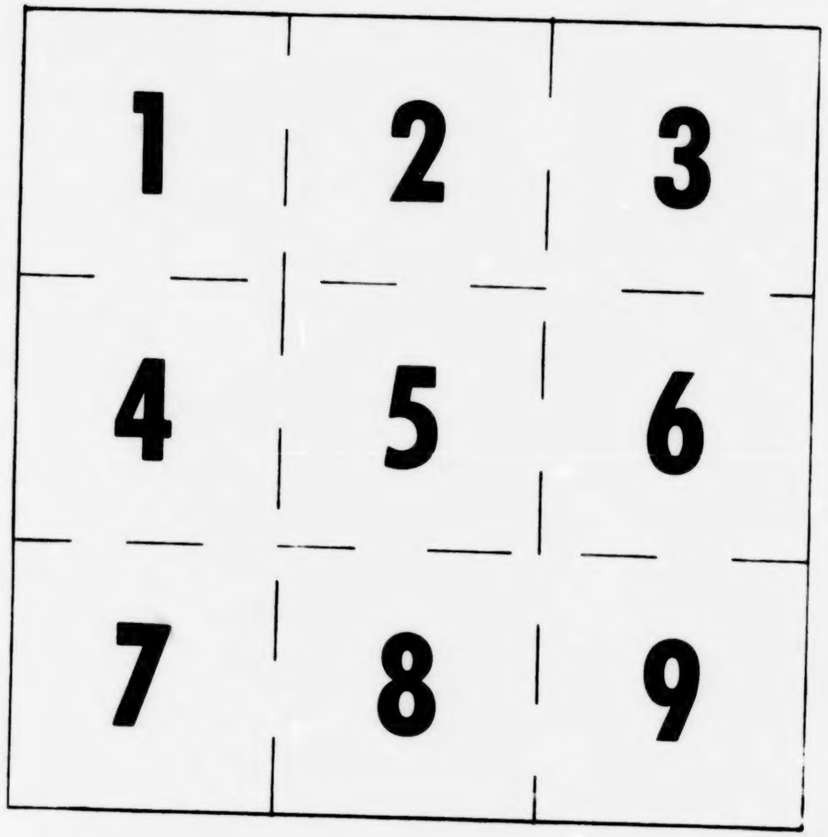
(Signed) **W. T. SOUTHORN,**
Colonial Secretary.

Hong Kong,
May 20th 1932.

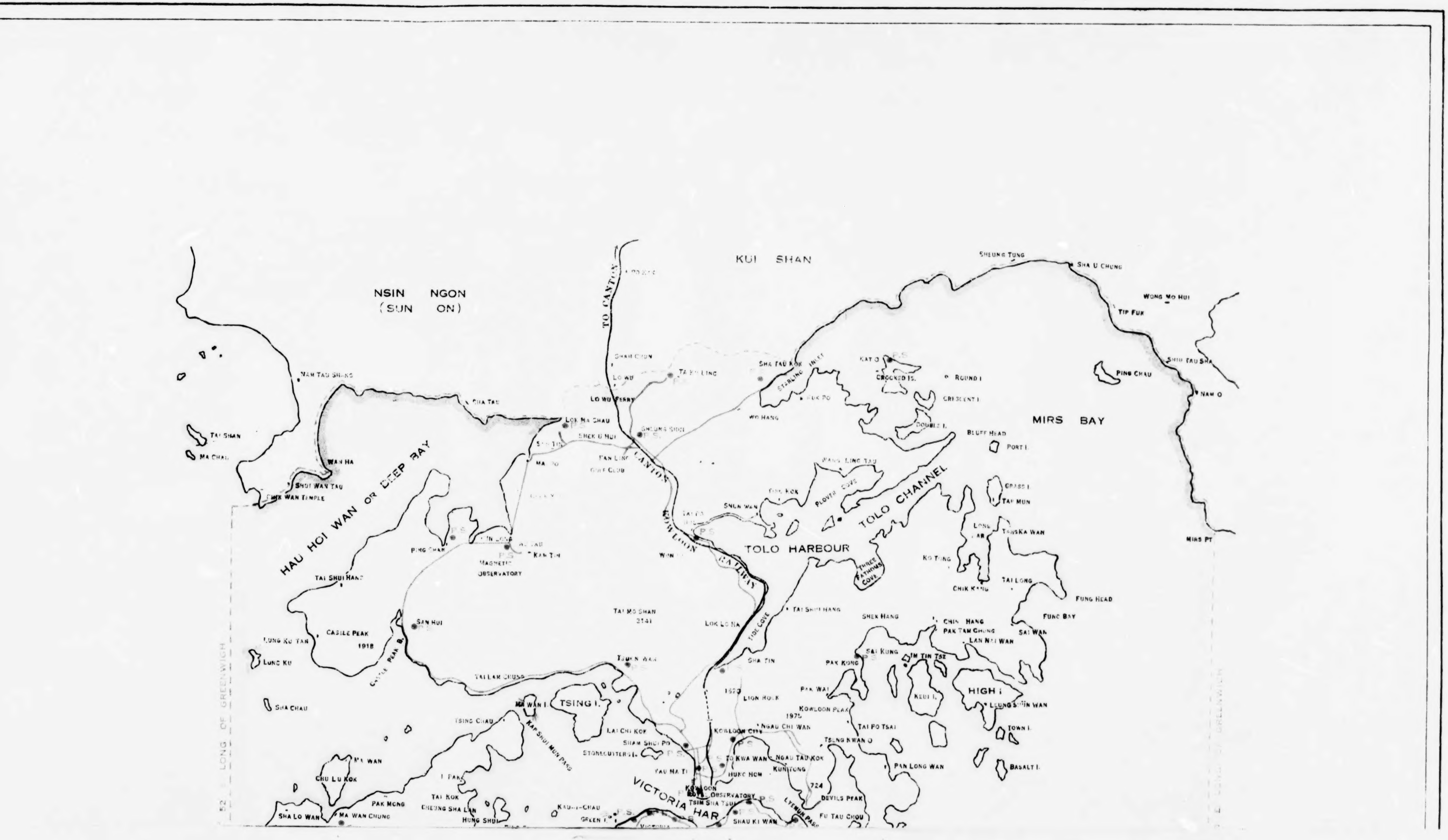
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







MAP OF HONG KONG AND NEW TERRITORIES.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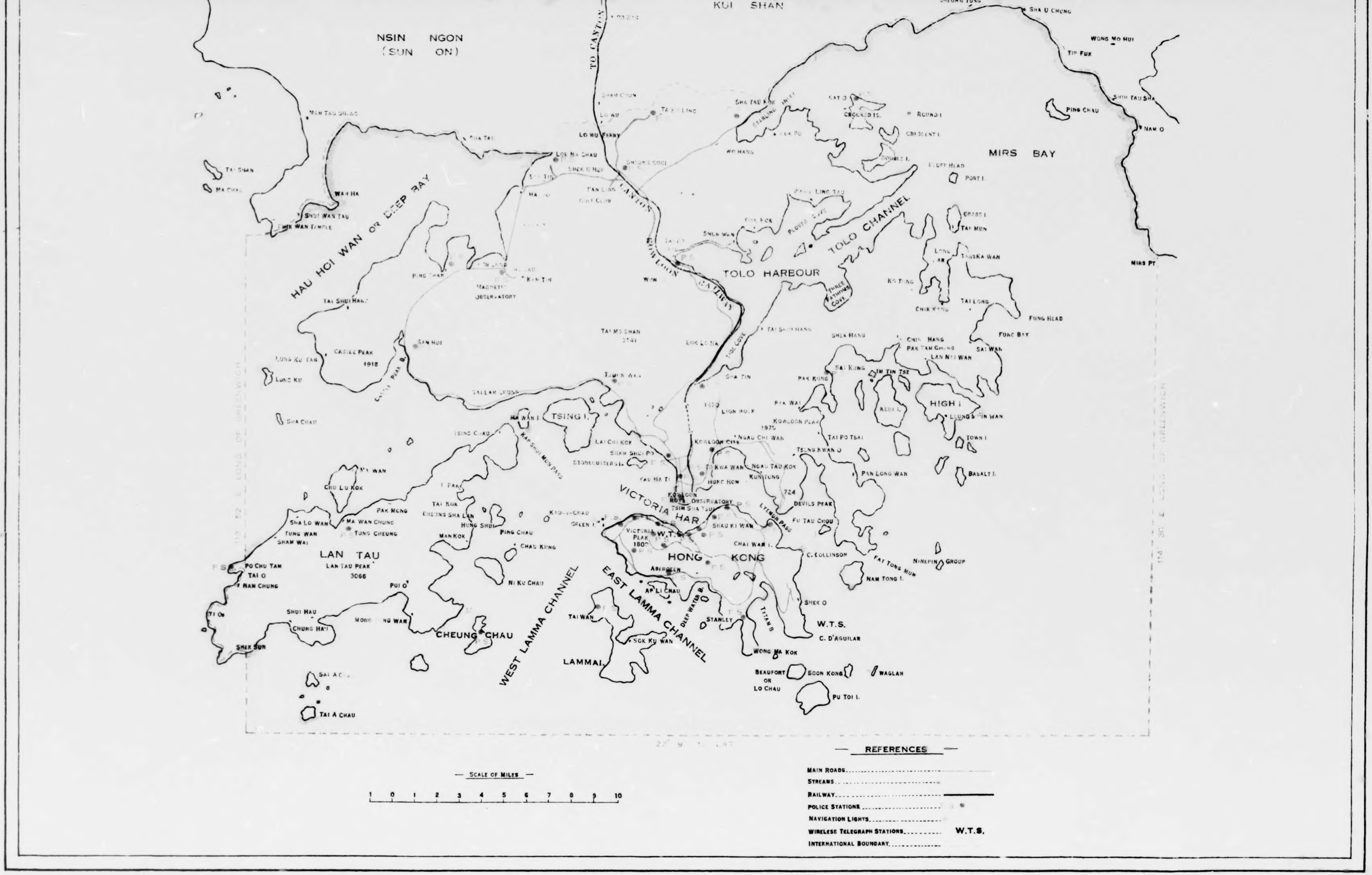
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SOON KONG
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STANLEY
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DEEP WATER B.
HONG KONG
VICTORIA HAR
VICTORIA PEAK 1800
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SHAM SHUI PO
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WEST LAMMA CHANNEL
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MAGNETIC OBSERVATORY
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114° 30' E. LONG. OF GREENWICH
SCALE OF MILES
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REFERENCES
MAIN ROADS
STREAMS
RAILWAY
POLICE STATIONS
P.S.
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HONG KONG, 1932

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Chapter I.

GEOGRAPHY, INCLUDING CLIMATE, AND HISTORY.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

2. The island of Hong Kong was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The total area of the Colony including the New Territories is about 390 square miles.

3. The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya, and elsewhere. It is also the natural distributing centre for imports into China from abroad.

4. The Colony is not primarily a manufacturing centre, the most important of its industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings. Sugar refining and cement manufacture are also major industries, and in recent years considerable quantities of knitted goods, electric torches and batteries, and rubber shoes have been produced and exported.

5. The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95°F or falls below 40°F. The average rainfall is 85.62 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere is often very high, at times exceeding 95%, with an average over the whole year of 77%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

6. The rainfall for 1932 was 91.47 inches. The mean temperature of the air was 72°.2 against an average of 71°.9. The maximum gust velocity of the wind was at the rate of 79 m.p.h. from E.N.E. on September 17th, when a typhoon passed within 200 miles to the S. of Hong Kong.

7. There were no outstanding events of general interest during the year. The first British Empire Products Fair in Hong Kong was opened by His Excellency the Officer Administering the Government, the Hon. Mr. W. T. Southorn C.M.G., on 23rd May. The Fair which was held in the grounds and

on the first and second floors of the Pensinsula Hotel was open for two days and was an unqualified success. There was an acute water shortage during the earlier part of the summer and for some weeks the mains were turned on for only one and a half hours in the morning and for a similar period in the evening. Fortunately heavy rains early in June eased the situation, and the rainfall for the year slightly exceeded the annual average.

The War Memorial Hospital was formally opened by His Excellency the Governor Sir William Peel, K.C.M.G., K.B.E., on 16th March.

8. During the absence on leave of His Excellency the Governor Sir William Peel, K.C.M.G., K.B.E., from 6th May to 16th November the Honourable Mr W. T. Southorn, C.M.G., administered the Government.

Chapter II.

GOVERNMENT.

The Government is administered under Letters Patent of 14th February, 1917, and Royal Instructions of the same and subsequent dates by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, all of whom are members ex officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are also members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are the Inspector General of Police, the Harbour Master, and the Director of Medical and Sanitary Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council.

2. The Sanitary Board composed of four official and six unofficial members has power to make bye laws under the Public Health and Buildings Ordinance in matters appertaining to public health, subject to an overriding power in the Legislative Council.

3. There is a number of advisory boards and committees, such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board etc. composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

4. The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

5. The daily administration is carried out by the twenty-eight Government departments, which are officered exclusively by members of the Civil Service. The most important of the purely administrative departments are the Secretariat, Treasury, Secretariat for Chinese Affairs, Harbour, Post Office, Imports and Exports Office, Police and Prisons departments. There are seven legal departments, amongst these being the Supreme Court and the Magistracies. Two departments, the Medical and Sanitary, deal with public health; one, the Education, with education; and one, the largest of all the Government departments, the Public Works, is concerned with roads, buildings, waterworks, piers and analogous matters.

6. There have been no changes in the system of Government in the year under review.

Chapter III.

POPULATION AND BIRTHS AND DEATHS.

Variation in population in Hong Kong is more dependent on immigration and emigration than on births and deaths. Movements to and from the Colony are influenced by events in China and owing to the large numbers who come and go daily it is impossible to give more than a very rough estimate of the actual population.

2. The following table shows the estimated population for the Colony for the middle of 1932.

Non-Chinese (mostly resident in Victoria and Kowloon)	19,984
Chinese in Victoria	364,279
Chinese in Hong Kong Villages	43,513
Chinese in Kowloon and New Kowloon	273,244
Chinese in junks and sampans	100,000
Chinese in New Territories	99,776
Total	900,796

3. During the year 2,975,258 persons entered and 2,827,449 persons left the Colony, making a daily average of 8,129 arrivals and 7,728 departures. The daily average for 1931 was 7,094 arrivals and 7,660 departures.

4. Registration of Births and Deaths is the rule in the urban districts but in the New Territories generally registration has not been enforced; therefore, in computing birth rates and death rates the population of the New Territories should not be taken into account.

5. The number of births registered was:—

Chinese	13,166
Non-Chinese	431

6. The deaths registered among the civil population number 19,829 giving a crude death rate of 24.74 per mille as compared with 24.08 for the previous year.

	Deaths.	*Estimated Population.*	*Death rate per mille population.*
Non-Chinese	283	19,984	14.16
Chinese	19,546	781,036	25.02

7. The number of deaths of infants under one year was Chinese 6,916, non-Chinese 38. If the figures for Chinese births represented the total births, which they do not, the infantile mortality figure for the Chinese would be 525.28 as compared with 617.42 in the previous year. The infantile mortality figure among non-Chinese was 97.93 as compared with 61.85 in 1931.

Chapter IV.

Public Health.

In the absence of some general system of registration of sickness, the only sources of information available for gauging the state of the public health in this Colony are the returns relating to deaths, the notifications of infectious diseases and the records of hospitals. Judging from the death returns the health of the Colony was not quite so good as in the previous year. The crude death rate was 24.74 per mille as compared with 24.08 for 1931.

2. Respiratory diseases accounted for 43.05 per cent of the total deaths; the percentage for 1931 was 42.25. The principal diseases causing death were broncho-pneumonia, pulmonary tuberculosis, bronchitis, pneumonia, infantile diarrhoea and diarrhoea.

3. The overcrowded houses, the expectorating habits of the people, and poverty furnish sufficient explanation for the prevalence of respiratory troubles.

4. *Pulmonary Tuberculosis.*—This disease continues to rank second to broncho-pneumonia as the principal cause of death. It is probable that some of the cases of the latter were of tuberculous origin.

5. The total number of deaths was 2,042; that for 1931 was 1,983. The death rate per mille was 2.54 as compared with 2.60 for the previous year.

6. There is need for more hospital or infirmary accommodation for tuberculosis patients, especially for those of the poorer classes.

7. *Malaria.*—Owing to efficient drainage methods this disease has disappeared from the greater part of the urban districts. It still persists, however, in the suburbs and in the rural areas. There are parts of the New Territories where the spleen rate exceeds 75 per cent.

8. Malaria not being a notifiable disease the incidence figures are unknown. The cases admitted to the Government Hospitals numbered 334 as compared to 586 in the previous year. The percentage of deaths to cases admitted was 3.29. Among the Chinese Hospitals there were 942 admissions with a case mortality rate of 19.42 per cent.

9. The total number of deaths attributed to this disease was 455, giving a death rate of 0.56 per mille over the whole population. The low death rate is, of course, due to the fact that the great bulk of the population residing in the drained urban area is not subject to risks of infection. If figures for local districts were available it would be found that in some areas the incidence and death rates were very considerable.

10. The Medical Officer in charge of the Kowloon Mortuary reports that among the 288 bodies of 7 years of age and over which were examined 111 or 40 per cent of the whole had spleens which were equal to or exceeded twice the normal size.

11. During the year the Malaria Bureau continued its investigations into the life history, habits and carrying powers of the local anophelines. The results obtained were both interesting and instructive. As in previous years there was no obstruction from the local Chinese; on the contrary they took an interest in the proceedings and showed their eagerness to be of assistance. The Chinese Inspectors have shown both ability and zeal.

12. The Bureau co-operated fully with the Military Authorities and with the Public Works Department.

INFECTIOUS DISEASES.

13. During the year there were reported 241 cases of cholera, 233 cases of smallpox, 207 cases of cerebro-spinal fever, 205 cases of diphtheria and 202 cases of enteric.

14. *Cholera.*—The Hong Kong epidemic was part of the pandemic which affected most of the ports and large inland towns of China. The first cases were those of two immigrants from Canton. Thereafter there were daily notifications.

15. The outbreak which commenced on the 18th June lasted until the third week in September. Altogether there were 241 cases of which 22 were imported. The cases treated at the Infectious Diseases Hospital numbered 202. The number of deaths among those treated was 99, giving a case death rate of 49.1 per cent.

16. Early in the outbreak the Director of Medical and Sanitary Services went to Canton for the purpose of arranging with the Health Authorities of that city for a scrutiny of all passengers about to leave for Hong Kong with the view to apprehending those showing cholera symptoms.

17. The following measures were adopted:—

(1) Special provisions were made at the Infectious Diseases Hospital for the reception and treatment of cases. Extra staff was taken on and an agreement made with the Tung Wah Hospital Authorities for cooperation, for the loan of their Infectious Diseases Hospital, and for the employment of a number of their nurses and dressers under the supervision of the Government Medical staff.

(2) The boats and trains from Canton and the boats from Macao were subjected to inspection on arrival.

(3) Vaccine was prepared at the Bacteriological Institute and arrangement made for the free examination of all specimens submitted.

(4) Free vaccination was offered to all the hospitals and arrangements made for the vaccination of the medical staff, the Police Force, the Military Establishment and others.

(5) Special attention was paid to the water supply and to the sale of fresh fruits and vegetables.

(6) Close cooperation was maintained between the Medical Department, the Sanitary Department, the Police and the Railway Department.

18. For the treatment of cases all the methods advocated by modern authorities were made use of but in spite of the most careful attention the death rate was 49.1 per cent.

19. *Smallpox.*—Every year in the cold season this disease manifests itself in outbreaks which are sometimes sporadic, sometimes epidemic. Whatever the prevalence there is always a tendency for the morbidity rate to decline or disappear with the advent of summer. In the year under review there were 212 cases and 175 deaths.

20. The rescission last year of the Sanitary Board's resolution of 1917 authorising the exemption of smallpox cases from isolation under certain conditions did not, as some had supposed, result in a diminution of the notification rate and an increase of concealment. If anything there was a greater tendency for the cases to seek hospital treatment.

21. The vaccination compaign was continued and during the year 276,424 persons were vaccinated. Valuable assistance was afforded by the St. John Ambulance Brigade and by the Chinese Public Dispensaries. Both bodies engaged in active propaganda and through their efforts many were persuaded who otherwise would have kept aloof. The various sections of the Brigade again carried out street vaccination with excellent results.

22. The Chinese have a preference for vaccination in the spring as being the auspicious season, and for a month or two after Chinese New Year the Chinese Public Dispensaries are crowded with children waiting to be done.

23. The majority of Chinese still hold the opinion that the herbalist treatment of smallpox gives better results than the methods adopted by practitioners qualified in Western medicine. An analysis of the statistics of (*a*) the Tung Wah Infectious Diseases Hospital where only herbalist treatment is carried out, and (*b*) the Government Infectious Diseases Hospital where western treatment only is provided shows that this view is not correct. Calculating on the figures for the last 23 years the case death rate at the Tung Wah was 46.63 per cent while that at the Government institution was 14.86 per cent.

24. *Plague.*—For the last three years no cases of plague have been reported in Hong Kong. The disappearance of this disease not only from this Colony but from the greater part of China and its decline throughout the world are due to factors which are not understood.

25. Systematic rat-catching and periodical cleansing of houses were carried out throughout the year. The total number of rats collected was 174,239 of which 12,792 were taken alive, as compared with 157,829 and 11,520 in 1931. The number collected each year shows that there is no diminution in the rat population. All the rats collected were sent to the Public Mortuary for examination. None were found infected.

26. *Cerebro-spinal Fever.*—Coincident with a sharp epidemic in Macao and one of milder nature in Canton there was an outbreak of cerebro-spinal fever in Hong Kong which was sporadic in character. Altogether 207 cases were reported with 122 deaths. 61 cases were treated in Kennedy Town Infectious Diseases Hospital of which 26 died. No special foci of infection were discovered and few instances where one could trace the source of infection.

27. Sera manufactured at the Bacteriological Institute was used therapeutically both in Hong Kong and in Macao.

28. *Diphtheria.*—With regard to diphtheria there is little to be said. The cases were sporadic and the soarces of infection were seldom discovered.

29. *Enteric.*—What has been said of diphtheria applies to enteric. The incubation period being so long and the possible sources of infection so numerous there is little chance of tracing in any case the source of infection.

THE DUMPING OF THE DEAD.

30. The number of bodies reported by the police as dumped was 1,427 as compared with 1,295 in 1931. In an endeavour to stop this practice chambers for the deposit of corpses have been established at all the Chinese Public Dispensaries. In some cases the top of the table is so arranged that the weight of a body on it closes an electric circuit which rings a bell in the caretaker's room. So far the chambers have not been an unqualified success and dumping in the street at dead of night continues to happen.

THE GOVERNMENT CIVIL HOSPITAL.

31. The Hospital consists of three blocks and contains 225 beds in 23 wards. About one half the accommodation has been placed under the care of the clinical professors of the University who have been gazetted respectively Surgeon, Physician and Obstetric Physician to the Hospital.

The number of inpatients in 1932 was 4,876 as compared with 4,744 in the previous year.

32. Attendances at the Outpatient Department numbered 47,627 (43,196 in 1931). Exclusive of the V.D. clinic, the greater part of the work of this department is done by the staff of the University.

33. Attached to the hospital is a Maternity Hospital of 21 beds. There were 885 cases in 1932 and 796 in 1931. With the exception of a few cases attended by the Government Medical Officers all the cases were under the care of the University Professor and his assistants.

MENTAL HOSPITAL.

34. Situated close to the Government Civil Hospital is the Mental Hospital which is under the direction of the Medical Officer in charge of the Government Civil Hospital. There are separate divisions for European and Chinese. The European section contains 14 beds and the Chniese section 18 beds. This hospital is mainly only a temporary abode for mental cases, those of Chinese nationality being sent to Canton, and those of other nationalities repatriated to their respective countries. There were 307 cases in 1932 and 322 in 1931.

GOVERNMENT INFECTIOUS DISEASES HOSPITAL.

35. This hospital situated on the Western outskirts of the City of Victoria is the only Government Institution of its kind for the whole Colony. Formerly a Police Station it contains only 26 beds. Two hundred and eight-one cases were admitted in 1932 as compared with five cases in 1931.

KOWLOON HOSPITAL.

36. Situated on the mainland this hospital has 84 beds and 8 cots. During 1932 the number of patients treated was 2,132, the number for 1931 was 1,855. In the second half of the year operations commenced on the erection of a new general diseases ward, a nurses hostel and quarters for a second Medical Officer.

CHINESE HOSPITALS.

(Government aided).

37. *The Chinese Hospitals.*—Tung Wah, Tung Wah Eastern and Kwong Wah—are hospitals which are maintained by the Tung Wah Charity Organisation, a purely Chinese body. These institutions, which are assisted by Government, are under inspection by the Government Medical Department. Each has as its Medical Superintendent a Chinese Medical Officer who is paid by Government. The Medical staff consists of Chinese Medical Officers, qualified in Western Medicine, and Chinese Herbalists.

The patient is given his choice of treatment.

HOSPITAL	No. of beds	No. treated in 1932		No. treated in 1931	
		Western Medicine	Chinese Herbalist Medicine	Western Medicine	Chinese Herbalist Medicine
Tung Wah,...............	500	7,800	5,287	5,704	5,246
Tung Wah Eastern,.....	195	3,338	1,928	2,185	1,345
Kwong Wah, ...	318	9,717	3,462	8,204	2,283

39. *Tung Wah Infectious Diseases Hospital.*—Situated in Kennedy Town and adjacent to the Government Infectious Diseases Hospital is the Tung Wah Infectious Diseases Hospital, an institution containing 30 beds where 60 patients could be accommodated at a pinch. The treatment here is left almost entirely to the herbalists.

During the year there were 77 patients, as compared with 9 in the preceding year.

Chapter V.

Housing.

In recent years some evidence has been shown amongst the artizan class of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. This class of labour has to find its habitat as close as possible to the scene of its labour, with the result that the Western part of the City of Victoria, which houses the native business quarter and closely adjoins the portion of the harbour handling the traffic from the West River and Chinese Coast Ports, is seriously overcrowded.

2. These conditions are being slowly mitigated by the rebuilding of properties which from time to time are condemned for reasons of structural defects. This process of elimination is however, too slow to create any appreciable improvement. The legislation now being contemplated, which calls for the provision of reasonable yard space, when made operative, will hasten the removal or reconstruction of much of the old property. This whilst providing improved housing conditions, will no doubt mean increased cost of living to the labouring classes.

3. Hitherto, the hostility of the property owning class to the introduction of legislation requiring additional open space and *per se* reducing the earning power of the property has been the chief obstacle in obtaining improved conditions. It can, however, be recorded that this spirit of obstruction is less evident today as a result of education, and of the example set by some of the better class of realty companies whose blocks of tenement houses compare not unfavourably in essential respects with modern European practice.

4. The housing of the Colony is all privately owned, and control is maintained by the operation of the Public Health and Buildings Ordinance, the provisions of which also mould the character of the housing. Generally the houses are built back to back in rows, separated by a scavenging lane six feet in width specified by the Ordinance. These houses vary in height from two to four storeys according to the width of the street on to which they front, whilst the average height per storey is twelve feet, a minimum being controlled by the Ordinance. The houses built prior to the 1903 Ordinance covering the greatest part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. After the passing of the Public Health and Buildings Ordinance No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot is governed, and falls under two main heads, *viz*:—(*a*) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must not be less than one fourth the area of the site and (*b*) houses built on land bought subsequently where the minimum is raised to one third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitations than to economics) and a depth of about thirty-five feet, whilst each storey consists of one large "room" with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles each of which may accommodate a family. A latrine is built at ground floor level, one to each house irrespective of the number of occupants, and is common to all.

5. Structurally the earlier houses are of blue bricks (of native manufacture having a very low structural value) and timber, (usually China fir which is extremely susceptible to the ravages of white ants). Lately, however, reinforced concrete and better quality bricks have been used.

6. In the City of Victoria the major defect of housing is due to lack of town planning, but since a large proportion of the City was erected in the early days of the Colony, when town planning was little practiced even in Europe, the conditions to-day are a heritage, the elimination of which involves immense sums of money, and probably considerable opposition if attempted on a large scale.

7. Generally many of the old houses suffer from defects which are attributable to the Ordinance of that time. Passed in 1903 the measure was framed to meet existing conditions, both structurally and hygienically as they were then understood and practiced. But, viewed in the light of modern practice and knowledge, many of its provisions are found to be lax and the following are the main resultant defects:—

(*a*) The open space is insufficient, especially with regard to earlier houses, *i.e.* those built on land purchased prior to 1903.

(*b*) Latrine accommodation is insufficient.

(*c*) Staircases are too narrow and steep, and often unlighted.

(*d*) Means of escape in case of fire insufficient.

Note:—

(*b*) In the case of new buildings where owners are able to provide by means of a well or otherwise an adequate water supply, flush sanitation is now usually provided on each floor. This is one of the most important steps forward in sanitation that has been achieved.

(*c*) and (*d*) have been provided for by recent amendments of the Public Health and Buildings Ordinance, which call for any new staircases in tenement houses to be of fire-proof construction, with alternate means of egress to all floors more than twenty three feet above the footpath. The remarks above apply more particularly to the housing of the wage-earning Asiatics. The housing for the wealthier classes is provided for by modern flats three or four storeys high, and in the suburban areas by detached or semi-detached houses usually two storeys high which may be occupied separately or as flats.

8. A new Buildings Ordinance has been drafted, which will eliminate many of the present defects and demand a higher standard generally, whilst the building owners are themselves realising the advantages of modern constructional methods. Town planning improvements are being carried out wherever possible in Hong Kong whilst the development of Kowloon is proceeding according to a definite lay-out.

Chapter VI.

PRODUCTION.

Hong Kong is the port for South China, and the greater part of the large volume of goods that pass through it is in transit either to or from South China and other parts of the world, including North and Middle China. The Colony itself produces comparatively little, though the shipbuilding, cement, sugar refining and cotton knitting industries are not unimportant. Neither agriculture nor mining are carried on to any great extent, though the former is practised throughout the New Territories. Rice and vegetables are grown, and there is considerable poultry farming, but in insufficient quantities to supply the needs of the urban populations of Victoria and Kowloon. The cultivation is in the hands of the Chinese villagers. Sea fishing is an important industry, but here again local supplies have to be augmented by importation from outside.

2. Reports on the principal industries for the year 1932 are given below:—

Refined Sugar.—The enormously increased duty on sugar imported into China (which now amounts to 130 per cent of the c.i.f. value) has imposed such a heavy financial burden on dealers that their operations have been greatly curtailed. Business during 1932 was on a hand to mouth basis, but even so sugar dealers at the end of the year were facing with some trepidation the January, 1933, Chinese New Year Settlement which was very difficult for them in view of heavy credits extended to clients in the interior of South China. Business with Manchuria has practically ceased, Japanese refined sugars having practically monopolised that market.

Cement.—There was a large demand for cement throughout the year, the market being flooded by the Japanese product which was sold at prices against which it was difficult for other cement manufacturers to compete.

Rope.—A restricted demand and keen competition were the special features met wtih in this industry during 1932.

Preserved Ginger.—World economic depression adversely affected business during 1932 in spite of considerably lower prices. The total value of exports from Hong Kong in 1932 amounted to $1,400,000 as compared with $2,400,000 in 1931.

Knitted Goods.—The turnover in locally manufactured knitted goods (hosiery and singlets) was considerably less than in 1932 owing to unfavourable exchange considerations which were the exact reverse of those obtaining in 1931 when local factories were able to export at very low prices owing to their raw materials having been bought at less than replacing cost at the time of export. The total value of exports of singlets in 1932 amounted to $5,700,000 and that of hosiery, $1,700,000.

Flashlight Torches and Batteries.—The manufactures of local factories are still in good demand, particularly from India, Java and other countries with large native populations. The approximate total value of exports in 1932 amounted to $1,200,000 (batteries) and $1,000,000 (torches).

Rubber Shoes.—Locally manufactured rubber shoes are being exported in growing quantities. The rubber is imported from the Straits Settlements and the canvas from America and the United Kingdom. Low labour costs here enable local manufacturers to compete successfully with shoes of Japanese and Straits Settlements manufacture. The total value of exports in 1932 amounted to over $2,000,000.

Shipbuilding.—Four ocean-going vessels and twenty-six smaller craft were built in local dockyards during 1932.

Chapter VII.

COMMERCE.

Although it cannot be claimed that the general economic situation of the Colony of Hong Kong during the year 1932 showed any visible improvement as compared with the previous year, statistics of the Import and Export trade reveal that the situation was not an unsatisfactory one, taking into consideration the heavy contraction in international trade, and, in particular, the Chinese boycott of Japanese products which seriously affected the trade statistics of the Colony.

2. The declared value of Imports of merchandise in 1932 amounted to $624.0 millions (£41.0 millions), as compared with $737.7 millions (£38.5 millions) in 1931, while Exports were valued at $471.9 millions (£31.0 millions) as compared with $541.9 millions (£28.9 millions) in 1931.

3. Calculating in terms of Hong Kong currency, Imports declined by 15.4%, and Exports by 12.9%: but sterling values showed increases of 6.5% and 7.3% respectively, on account of the appreciation in the value of exchange on other than gold standard countries.

4. In regard to the quantum of trade, it is estimated that there was a decline of from 7 to 10%.

5. Great Britain still further increased its share of the Import trade, accounting for 9.4% in 1930, 10.6% in 1931 and 12.3% in 1932, while the Japanese share fell successively from 12.3%, 9.3% to 3.4%. China, French Indo-China, Siam, India and Australia also increased their proportions.

6. Both imports and exports of Piece Goods and Textiles declined in 1932 as compared with 1931, total imports being valued at $167.3 millions as compared with $131.7 millions, and exports at $66.9 millions as compared with $75.8 millions.

7. The United Kingdom's share of the import trade in piece goods and textiles increased from 32.6% to 38.6%, while the Japanese share receded from 19.1% to 7.0%.

8. Imports of Building Materials fell from $15.3 millions to $12.9 millions; Chemicals and Drugs from $8.3 to $6.6; Chinese Medicines from $28.9 to $19.2; Dyeing and Tanning Materials from $8.9 to $6.0; Foodstuffs from $241.4 to $211.8; Hardware from $5.5 to $5.2; Liquors from $4.6 to $3.7; Machinery and Engines from $9.2 to $6.1; Manures from $13.4 to $11.0; Metals from $44.6 to $38.5; Nuts and Seeds from $8.9 to $7.0; Oils and Fats from $54.3 to $52.2; Paints from $2.7 to $2.5; Paper and Paperware from $16.2 to $15.7; Tobacco from $12.9 to $9.5; Wearing Appearel from $6.3 to $4.4; Sundries from $90.3 to $71.5. Fuels, Railway Materials and Vehicles showed very slight increases.

9. Values of Exports showed a decline in each group. Building Materials fell from $9.6 millions in 1931 to $8.7 millions in 1932; Chemicals and Drugs from $4.6 to $4.1; Chinese Medicines from $16.5 to $13.6; Dyeing and Tanning Materials from $6.5 to $5.0; Foodstuffs from $201.2 to $185.2; Fuels from $3.0 to $2.5; Hardware from $3.0 to $2.8; Liquors from $1.5 to $1.0; Machinery and Engines from $2.2 to $1.6; Manures from $16.3 to $11.0; Metals from $34.6 to $30.2; Minerals and Ores from $2.0 to $0.9; Nuts and Seeds from $6.2 to $5.6; Oils and Fats from $43.4 to $37.1; Paints from $2.6 to $2.1; Paper and Paperware from $11.4 to $10.3; Piece Goods and Textiles from $75.8 to $66.9; Railway Materials from $0.44 to $0.43; Tobacco from $10.1 to $7.9; Vehicles from $2.2 to $1.5; Wearing Apparel from $13.7 to $12.8; and Sundries from $74.8 to $60.2.

10. The average rate of exchange for the year was 1s. 3¾d. as against 1s. 0¾d. in 1931.

Imports (in £'s & $'s millions).

	1923	*1924*	*1925.*	*1930.*	*1931.*	*1932*
1st Quarter	£ 14.7	19.3	16.3	*	9.0	11.9
	$130.7	165.4	139.7	*	186.9	170.7
2nd Quarter	£ 15.2	17.1	14.5	9.2	8.7	10.2
	$131.5	144.0	128.9	131.3	180.1	161.7
3rd Quarter	£ 14.3	19.2	*	10.1	9.0	9.3
	$127.1	161.7	*	156.8	182.3	142.1
4th Quarter	£ 17.8	16.5	*	10.3	11.8	9.6
	$155.3	136.6	*	167.4	188.4	146.2
Total	£ 62.0	72.1	30.8	29.6	38.5	41.0
	$544.6	607.7	268.6	455.5	737.7	624.0

Exports (in £'s & $'s millions).

	1923.	*1924.*	*1925.*	*1930.*	*1931.*	*1932.*
1st Quarter	£ 13.9	18.3	15.2	*	6.8	8.8
	$123.5	156.8	130.3	*	140.1	127.0
2nd Quarter	£ 16.3	15.2	14.1	7.4	6.4	7.1
	$140.9	128.0	125.3	105.9	132.5	115.3
3rd Quarter	£ 14.0	14.6	*	7.3	6.5	7.2
	$124.4	122.9	*	113.7	130.6	110.0
4th Quarter	£ 17.2	15.5	*	8.5	9.2	7.9
	$150.1	128.3	*	137.2	138.7	119.6
Total	£ 61.4	63.6	29.3	23.2	28.9	31.0
	$538.9	536.0	255.6	356.8	541.9	471.9

*No statistics available from July 1925 to March 1930.

Note:—Average rate of exchange 1923 = 2*s*. 3½*d*;
1924 = 2*s*. 4½*d*;
1925 = 2*s*. 3½*d*;
1930 = 1*s*. 3½*d*;
1931 = 1*s*. 0¾*d*;
1932 = 1*s*. 3¾*d*.

TREASURE MOVEMENTS.

A considerable increase was shown in 1932, mainly on account of heavy transfers of Silver Subsidiary Coin from Canton to Shanghai.

	IMPORTS.		EXPORTS.	
	1931	*1932*	*1931*	*1932*
	$	$	$	$
Bank Notes	1,047,045	673,264	3,192,004	1,797,085
Copper cents	56,037	6,370	2,708,417	45,903
Gold Bars	6,842,100	19,508,290	50,656,676	63,715,586
Gold Coins	270,400	80,000	8,280,762	5,787,931
Gold Leaf	672,914	83,333	1,293,506	277,028
Silver Bar	37,710,863	34,365,025	40,155,252	14,883,018
H.K. Silver Dollar	1,099,341	2,564,512	10,000	40,000
Chinese Silver	13,937,264	3,256,166	10,461,979	11,709,712
Other Silver Dollar	154,220	*	260,460	138,657
Silver Sub. Coins	4,266,956	24,735,443	4,754,824	41,618,911
Total	66,057,140	85,272,403	121,773,880	140,013,831

IMPORTS AND EXPORTS 1931 AND 1932
(excluding treasure)

	IMPORTS.		EXPORTS.	
	1931	1932	1931	1932
	$	$	$	$
United Kingdom	78,251,178	76,905,373	5,247,416	3,462,248
British Dominions and Possessions	57,402,155	56,752,665	57,662,739	42,607,973
China	200,421,159	169,993,076	295,001,702	279,818,847
All other countries	401 666,167	320,396,486	184,137,981	145,970,638
Total British Empire	135,653,333	133,658,038	62,910,155	46,070,221
Total Foreign	602,087,326	490,389,562	479,139,683	425,789,485
Grand Total	737,740,659	624,047,600	542 049,838	461,859,706

* Not fully recorded.

WHOLESALE PRICES CHANGES.

Wholesale prices in Hong Kong during the year 1932 showed a decrease of 10.4% as compared with 1931, and increase of 14.6% as compared with 1924, 22.4% as compared with the base period of 1922, and 91.2% as compared with 1913.

There were decreases in each of the four groups in 1932 as compared with 1931: Foodstuffs declining by 12.3%, Textiles by 7.8%, Metals and Minerals by 9.1% and Miscellaneous Items by 12.5%.

The following table shows the course of price changes since 1913:—

	1913.	*1922.*	*1924.*	*1931.*	*1932.*	*1st Qtr.*	*2nd Qtr.*	*3rd Qtr.*	*4th Qtr.*
Foodstuffs	73.6	100.0	106.1	144.3	126.5	129.6	130.1	124.9	121.4
Textiles	55.1	100.0	112.5	135.8	125.2	135.6	128.5	118.8	117.8
Metals	63.2	100.0	102.3	140.9	128.1	137.0	138.2	121.8	115.4
Miscellaneous ...	64.2	100.0	106.3	125.4	109.7	125.7	109.9	103.2	100.2
Average of all Articles......	64.0	100.0	106.8	136.6	122.4	132.0	126.7	117.2	113.7

Chapter VIII.

WAGES AND THE COST OF LIVING.

A great proportion of the workers in Hong Kong are paid on a piece work basis and in some trades are engaged and paid on curiously complicated systems involving payment of a bonus or a share in the yearly profits.

2. Trade was again dull for the greater part of the year and wages have, so far as can be ascertained, tended downwards. The building trade however, was still very busy, for though the peak of the land boom had been passed early in the year the resultant effect on building had not become apparent by the end of the year. The price of the cheaper grades of rice which is the staple food of the lowest paid workers, has not increased and remains at an average of five to eight cents per lb. The price of fire-wood which is also an important item to the poorer classes remains the same. There has been no apparent movement in house rents.

3. The European resident, unlike the local labourer, purchases many articles of necessity which are imported from countries with sterling or gold currencies. He is therefore affected by variations in the exchange value of these currencies as expressed in terms of the silver dollar. During the year under review these variations were not sufficiently great to affect noticeably the prices of imported articles.

Average Rates of Wages for Labour.

Building Trade:—

Carpenters	$1.15	per day.
Bricklayers	1.10	,, ,,
Painters	1.10	,, ,,
Plasterers	1.10	,, ,,
Scaffolders	1.70	,, ,,
Labourers (male)	0.80	,, ,,
,, (female)	0.50	,, ,,

Working hours, nine per day. Time and a half paid for overtime. Free temporary quarters provided on the building site and communal messing at cheap rates.

Shipbuilding and Engineering:—

Electricians	$1.45 to $1.80	per day.
Coppersmiths	1.20 to 1.80	,, ,,
Fitters	0.80 to 1.80	,, ,,
Sawmillers	1.00 to 1.40	,, ,,
Boilermakers	1.00 to 1.50	,, ,,
Sailmakers	1.00 to 1.50	,, ,,
Blacksmiths	0.80 to 1.20	,, ,,
Turners	1.00 to 1.40	,, ,,
Patternmakers	1.00 to 1.40	,, ,,
Labourers	0.50 to 0.80	,, ,,

Over-time—time and a half. Night work—double time.

Transport Workers:—

Tram drivers	$36 to $45	per month.
,, conductors	30 to 39	,, ,,
Bus drivers	50	per month.
,, conductors	20 to 25	per month.

Working hours, nine per day. Free uniform. Bonus at end of year.

Railway Workers (Government):—

Engine drivers	$540 to $1,000	per annum.
Firemen	330 to 480	,, ,,
Guards	600 to 1,000	,, ,,
Signalmen	600 to 1,000	,, ,,
Station Masters	1,100 to 1,800	,, ,,
Booking Clerks	600 to 1,000	,, ,,
Telephone operators	480 to 1,000	,, ,,

Female Workers in Factories:—

Cigarette making	$0.40 to $0.80	per day.
Knitting factories	0.20 to 0.55	,, ,,
Perfumery	0.20 to 0.50	,, ,,
Confectionery	0.20 to 0.60	,, ,,

Working hours from 7 a.m. to 5 p.m. One hour off at midday. Over-time from 6 p.m. to 9 p.m. at day rates.

Domestic Servants:—

Employed by Chinese	$7.00 to $20.00	per month.
Employed by Europeans	15.00 to 40.00	,, ,,
Gardeners	15.00 to 30.00	,, ,,

With free lodging, and with Chinese employers, generally free board.

NOTE:—The rates of pay of Government employees are much the same as those of a similar category in private employ.

AVERAGE RETAIL PRICES OF FOODSTUFFS, ETC.

	1931.	*1932.*
Rice (3rd. grade)	8.6 cents per cattie.	8.4 cents per cattie.
Fresh fish	25 ,, ,, ,,	31.5 ,, ,, ,,
Salt fish	32 ,, ,, ,,	34.6 ,, ,, ,,
Beef	49 ,, ,, ,,	48 ,, ,, ,,
Pork	53 ,, ,, ,,	55 ,, ,, ,,
Oil	23 ,, ,, ,,	24.2 ,, ,, ,,
Firewood	10 ,, for 7 catties.	10 ,, for 8 catties.

Chapter IX.

EDUCATION AND WELFARE INSTITUTIONS.

GOVERNMENT SCHOOLS.

These are either schools where the medium of instruction is English or mostly English or schools where the medium of instruction is Chinese. The former, sixteen in number, are known as "English" schools, the latter of which there are three as "Vernacular" schools.

2. Of the four English schools, classed as "secondary" schools in the Table below, two are Anglo-Chinese schools for boys and one for girls. These three schools have primary departments. The fourth school, the Central British School which is a mixed school, has no primary department. Of the eleven English schools, classed as "primary" schools in the Table below, three are mixed schools preparing for the Central British School. In this group are also four "District" schools, including one for Indian boys and four "Lower Grade" schools, three of which are in rural districts. In those English schools which are attended by Chinese the study of English and of Chinese is carried on side by side; the pari passu system requiring that promotion shall depend an proficiency in both languages.

3. Of the three Government Vernacular schools one has a seven years' course and includes a Normal department. There is also a Normal school for women teachers and a Normal school on the mainland which aims at providing Vernacular teachers for rural schools.

4. The Technical Institute, classed in the Table below as "vocational", is attended by persons desirous of receiving instruction for the most part germane to their daytime occupations.

GRANT IN AID AND SUBSIDIZED SCHOOLS.

5. There are thirteen Grant-in-Aid English Schools, and four Grant-in-Aid Vernacular Schools. Of the former, seven are schools for boys and six are for girls.

6. One English school for girls has a primary department only. The remaining schools classed in the table below as "secondary" schools have primary departments as well as the upper classes.

7. Munsang College, Kowloon City, received a grant of $6,000.

8. The Vernacular Grant-in-Aid Schools are schools for girls and are classed in the Table as "secondary" schools.

9. The 295 subsidized schools are all Vernacular schools.

UNAIDED SCHOOLS.

10. In 1932 there were 614 unaided Vernacular schools with 31,978 children and 116 unaided English schools with 6,687 children.

Table showing number of schools and scholars for the year 1932.

CLASS OF INSTITUTIONS	GOVERNMENT SCHOOLS		GRANT IN AID AND SUBSIDIZED SCHOOLS		UNAIDED SCHOOLS	
	No. of Institutions	On Roll	No. of Institutions	On Roll	No. of Institutions	On Roll
ENGLISH :—						
Secondary, ...	4	2,387	13*	5,861	10	160
Primary, ...	11	1,759	1	210	106	5,027
Vocational, ...	1	632	...	...	...	...
Total, ...	16	4,778	14	6,071	116	6,687
VERNACULAR :—						
Secondary, ...	1	251	4	1,118	...	...
Primary, ...	...	...	295	20,005	614	31,978
Vocational, ...	2	205	1	130	...	...
Total, ...	3	456	300	21,253	614	31,978

Total No. of Institutions	1,063
Total On Roll	71,223

*This includes Ying Wa College whose primary department receives a Grant-in-Aid.

THE UNIVERSITY.

11. The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

12. The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall. There are also three recognized hostels for men, St. John's Hall, Morrison Hall and Ricci Hall. No university hostel at present exists for women students.

13. The late Sir Hormusjee Mody bore the entire expense of the erection of the main building. Additions have been made through the liberality of benefactors of varied nationality and domicle. The latest additions to the buildings are a School of Chinese Studies, the cost of which was borne by Mr. Tang Chi Ngong a local Chinese merchant and banker, and a Chinese Library named after the late Mr. Fung Ping Shan who provided a sum of $100,000 for the building.

14. The income of the University for 1932 amounted to about $1,080,180.60 of which about $494,000 was derived from endowments and $375,000 from Government. Messrs. John Swire & Sons Ltd. gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockefeller Institute has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000. The annual expenditure in 1932 amounted to about $916,500.

15. The University includes the three faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognized as equivalent thereto.

16. The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D. and M.S. are awarded on examinations but are subject to the proviso that every candidate for the degrees shall produce evidence of special post-graduate experience in the subject which he presents. The degrees above mentioned are recognized by the General Medical Council for registration in Great Britain.

17. The Faculty of Engineering provides a four years course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

•18. The Faculty of Arts includes departments of pure arts and science, social science, commerce, a department of Chinese studies and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A The degree for post-graduate work is that of M.A.

19. With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external exeminers are, in all faculties, associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

20. The degree of LL.D. is granted *honoris causa.*

CHARITABLE INSTITUTIONS.

21. The following are the best known Charitable Iistitutions.

French Convent Orphanage.
Italian Convent Orphanage.
Maryknoll Convent, Kowloon.
St. Louis Industrial School.
Po Leung Kuk—Chinese.
Victoria Home and Orphanage.
Society of Precious Blood Hospital.
Home for Aged Poor, Kowloon.
La Calvaire Home for Aged Poor, Happy Valley.
Eyre Refuge.
Salvation Army Home.
Industrial Home for the Blind, Pokfulam.

RECREATION AND ART.

22. Most of the schools contrive to hold Annual Sports either on their own grounds or on grounds generously lent by local Cricket and Football Clubs. Some schools are granted free use of Government Bathing Beaches for four afternoons a week during the Bathing Season. Lawn Tennis, Football, Swimming, Volley Ball and Basket Ball continue to increase in popularity. Cricket is played at a few schools. Physical training is given by qualified instructors. Art is taught in the Government British Schools by Trained Art Mistresses.

Chapter X.

COMMUNICATION AND TRANSPORT.

The external communications of Hong Kong are excellent both by sea and by telegraph, cable and radio. As regards the former, the Peninsular and Oriental Steam Navigation Co., the Nippon Yusen Kaisha, the Blue Funnel Line, the Messageries Maritimes, and several other British and foreign companies maintain regular passenger and freight services between Hong

Kong and Europe. The trans-Pacific communications are well served by the Canadian Pacific Steamships Ltd., the Dollar Line, the Nippon Yusen Kaisha, and other steamship lines. To Australia three steamship companies, the Eastern and Australian, Nippon Yusen Kaisha, and Australian and Oriental maintain regular passenger and freight services. In addition there are direct sailings to Africa, South America, and to New York. There is frequent and regular communication between Hong Kong and other Far Eastern ports in India, Java, Straits Settlements, Formosa, Indo-China, Japan and the China coast. Local steamship communication is by river steamer from Hong Kong to Canton and the West River ports with several sailings daily. In addition there is a vast traffic between Hong Kong and the adjacent provinces of China by junk and sampan.

2. The total shipping entering and clearing Ports in the Colony during the year 1932 amounted to 104,115 vessels of 13,824,966 tons which, compared with the figures of 1931 shows a decrease of 3,147 vessels and a decrease of 325,115 tons. Of the above 52,359 vessels of 41,794,005 tons were engaged in Foreign Trade as compared with 51,801 vessels of 41,933,748 tons in 1931. There was an increase in British Ocean-going shipping of 180 vessels and an increase of 660,846 tons. Foreign Ocean-going vessels show a decrease of 539 vessels and a decrease of 837,918 tons. British River Steamers showed an increase of 95 vessels and an increase of 41,471 tons. Foreign River Steamers showed a decrease of 199 vessels and a decrease of 11,035 tons. In steamships not exceeding 60 tons employed in Foreign Trade there was an increase of 83 vessels with a decrease in tonnage of 6,609 tons. Junks in Foreign trade showed an increase of 938 vessels and an increase of 13,499 tons. In Local Trade *(i.e.* between places within the waters of the Colony) there was an increase in steam launches of 710 vessels and an increase in tonnage of 22,399. Junks in Local Trade show a decrease of 1,415 vessels and a decrease of 207,771 tons.

3. The Eastern Extension Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provides good connections with Europe *via* India, with Australasia, and with the other British Colonies and possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; the system of the Great Northern Telegraph Company gives a good service to Europe *via* Asiatic Russia.

4. The Government operates a commercial radio service with direct communication with Chinese stations, Siam, Indo-China, Formosa and the Dutch East Indies. Indirect communication

between Hong Kong and America is maintained via Manila and between Hong Kong and Europe *via* Manila or Dutch East Indies.

5. The revenue collected by the Radio Office during the year from radio telegrams amounted to $680,032.58, an increase of $1,004.07 on the amount collected in 1931. Advices of vessels signalled at the Lighthouses yielded $1,259.40. The total Revenue from the telegraph service amounted to $681,291.98. Ship Station Licences yielded $1,750.00, Amateur Transmission Station Licences $204.50, Broadcast Receiving Licences $20,679.50, Dealers' Licences $2,239.00 and Examination Fee for Operators' Certificates of Proficiency $66.00.

6. The number of paid radio-telegrams forwarded during the year was 194,782 consisting of 1,607,233 words against 214,274 consisting of 1,694,362 words in 1931, and 179,382 were received, consisting of 1,653,046 words against 184,183 consisting of 1,690,206 words.

7. In addition to the paid traffic figures given above the wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 365 messages or 198,526 words from Rugby, the collection and distribution of meteorogical traffic, 6,583 messages 216,787 words having been forwarded, and 17,083 messages 293,502 words having been received, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc.

8. A telephone service between Hong Kong and Canton, a distance of 110 miles is in operation.

9. *Mails.*—The number of mail receptacles of Hong Kong origin despatched during the year was 47,615 as compared with 48,748 in 1931—a decrease of 1,133; the number received was 51,324 as compared with 52,568—a decrease of 1,244.

10. Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 183,822 as against 210,217 in 1931—a decrease of 26,395.

11. *Registered Articles and Parcels.*—The number of registered articles handled amounted to 748,676 as compared with 806,733 in 1931—a decrease of 58,057.

12. The figures for insured letters were 18,595 and 19,522 respectively—an increase of 927.

13. Parcels, ordinary and insured, which were dealt with reached a total of 228,253 as against 382,170 in 1931—a decrease of 153,917.

14. The year 1932 proved a most successful one for the Railway. Both gross and net receipts were by far the highest in its history.

15. Conditions in South China were such that no untoward events affected through traffic between Kowloon and Canton, and with the exception of a few days suspension on account of small washouts on the Chinese Section, the through train services were maintained satisfactorily throughout the year.

16. The through journey of the Kowloon Canton expresses, of which there are two each way daily, was reduced to 3 hours and 8 minutes as from the 1st of November, 1932, and notwithstanding the raising of certain of the through fares there was a noticeable increase in through passenger traffic.

17. The three new express locomotives, obtained in 1930 on behalf of the Chinese Section, are still in possession of the British Section, but the Chinese Section made 6 monthly cash instalments of $10,000 each in respect of them during the year. Haulage Charges continued to be paid by the Chinese Section.

18. The total steam train mileage run amounted to 315,046. This includes trains run over the Chinese Section to and from Canton. The Motor Coach mileage was 19,502 miles. 2,182,634 passengers were carried during the year.

19 The General Railway Revenue showed a marked increase and amounted to $1,295,789.20 as against $1,095,098.77 for the previous year. General Revenue exceeded Operating Expenses by the very satisfactory sum of $333,412.15 as against $150,091.76 for 1931.

20. There are 311 miles of roads in the Colony, 161 miles on the Island of Hong Kong and 150 miles in Kowloon and the New Territories. Of the total mileage 227 miles are constructed in water bound macadam dressed with asphalt, 12 miles in sheet asphalt on a cement concrete foundation, 13 miles of tar macadam, 17 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 39 miles of gravel.

21. The public travelling over the Colony's roads increases yearly with a corresponding growth in the number of motor buses, of which there are 56 operating on the island of Hong Kong, and 118 on the mainland. These are gradually replacing the rickshas, the number of which decreases year by year.

22. The Hong Kong Tramway Company has a fleet of nearly 90 double deck tram cars running along the sea front of Victoria from Kennedy Town to Shaukiwan.

23. Communication between the island and the mainland is maintained by a number of ferry services; the most important of which are the Star Ferry between Kowloon Point and a pier near the General Post Office, and the Hong Kong and Yaumati Ferry Company between Yaumati and a pier also centrally situated on the sea front of the island. The number of passengers carried by these two ferry companies in 1932 is estimated at 39,640,709.

Chapter XI.

BANKING, CURRENCY, WEIGHTS & MEASURES.

The Colony is well served by banking institutions. There are sixteen principal banks doing business in the Colony who are members of the Clearing House, and in addition several Chinese banks and numerous native Hongs doing some portion of banking business. There are no banks which devote themselves specially to agricultural and co-operative banking. The Hongkong and Shanghai Banking Corporation also conducts the business of the Hong Kong Savings Bank on usual saving bank principles.

2. The Currency of the Colony is based on silver and is governed by the Order in Council of 2nd February, 1895. The dollar, which is normally in circulation and which is legal tender to any amount, is the British Dollar of 900 millesimal fineness and weight 26.957 grammes (416.00 grains). Silver subsidiary coins of the value of 5, 10, 20 and 50 cents and one cent pieces in bronze are also legal tender up to the value of two dollars for silver and one dollar for bronze. Bank notes issued by The Hong Kong & Shanghai Bank, The Chartered Bank and The Mercantile Bank are also in circulation, the estimated amount issued at the end of 1932 being $153,611,605.

3. The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = 0.0133 ounces avoirdupois
1 tsin (mace) = 0.133 ounces avoirdupois
1 leung (tael) = 1.33 ounces avoirdupois
1 kan (catty) = 1.33 pounds avoirdupois
1 tam (picul) = 133.33 pounds avoirdupois

and

1 chek (foot) = 14⅝ English inches divided into 10 tsun (inches) and each tsun into 10 fan or tenths

Chapter XII.

PUBLIC WORKS.

During the year under review the operations of the Public Works Department were carried out under a Head Office Staff by eleven sub-departments. The European Staff comprised 155 officers and the Asiatic Staff 557.

2. *Buildings.*—The following works were completed during the year:—A new No. 2 Police Station; Market at Sai Ying Pun; Chair Coolie Shelter at Barker Road; Temporary Fire Station at Wanchai; Hut for Police at Bay View Police Station, Garage for the Prison Department in Arbuthnot Road; Alterations at the Government Civil Hospital to provide office accommodation and an Isolation Ward; Blanket Store at the Central Police Station; Female Prison at Lai Chi Kok; Postal Kiosk at Kowloon City; Market at Praya East Reclamation; Latrine at Possession Point; and Motor Cycle Garages at Sheung Shui. In addition the following works were under construction during the year:—Crematorium at Kai Lung Wan Cemetery; Extension of the offices of the Public Works Department; Additions to Kowloon Hospital comprising a new Ward Block; Block of Quarters for Nurses and a House for a second European Medical Office; Venereal Diseases Clinic at Kowloon; New Cattle Lairage at Ma Tau Kok Cattle Depot; Wireless Broadcasting Station at Kowloon and a Medical Welfare Centre in the New Territories. In addition to general maintenance numerous minor alterations and improvements to Government Buildings were also executed during the year.

3. *Communications.*—The following works were completed:—6" cement concrete foundation with sand-carpeting at Des Voeux Road Central from Centre Street to Western Street; 6" cement concrete foundation for granite setts at Connaught Road, west of Centre Street; Surfacing of Peak Road with non-skid cement surfacing; 4" tar macadam on Island Road eastward of Stanley Gap; Chatham Road extension; Widening Sai Kung Road north of Aerodrome; portions of Nathan Road, Prince Edward Road and Lai Chi Kok Road were reconditioned and strengthened with 7" re-inforced cement concrete surfacing; bottoming and surfacing laid on Chatham Road from junction with Gascoigne Road to Cooke Street; filling in area north of Nan Chang Street; surfacing Lin Ma Hang—Sha Tau Kok Road; improving and strengthening main roads chiefly between Castle Peak and Ping Shan; diversion of Taipo Road near 5½ milestone; surfacing and tarpainting road to "Texaco" installation at Tsun Wan; reconditioning Sha Tau Kok Road between Fanling and Kwanti Race Course. The following works were under construction:—1st Section of New 75′ Road between Causeway Bay and Ming Yuen; Refuse Dumps at Cheung Sha Wan and Sung Wong Toi; Children's Playground, Cox's Road; the Strengthening and improvement of road surfaces in the New Territories was continued, an additional 4"

of macadam being laid and tarpainted between the 11½ and 12½ milestone—Castle Peak Road, and at Mei Po. Approximately 11 miles of tarpainting was carried out in addition to new work, to preserve previously strengthened portions. Approximately 311 miles of road surfaces in the Colony were satisfactorily maintained. Work on the Wong Ma Kow Road was suspended owing to resiting the New Gaol.

4. *Drainage.*—New sewers and storm water drains were constructed in Hong Kong to a length of 3,034 feet. Improvements were effected to the main sewer in Aberdeen Valley. Short lengths of channelling were done in various districts. New sewers and storm water drains were also constructed in Kowloon to a length of 10,471 feet, and open nullahs were decked-over to a length of 864 feet and in New Kowloon, the length of new sewers and storm water drains which were constructed was 20,150 feet. Nullah walling was built to a length of 746 feet, and parapet walling to a length of 874 feet. Various minor works were carried out in the New Territories. In connection with the anti-malarial campaign work was begun at Mount Parker, Stanley, Sookunpoo and Lyeemun, and streams were trained to lengths of 4,250 feet as channels, 1,577 feet as culverts, and 200 feet as walled nullah.

5. *Water Works.*—In Hong Kong the following lengths of new mains were laid to improve the distribution system—1,706 feet of 12", 906 feet of 8", 972 feet of 7", 2,070 feet of 6", and 2,181 feet of smaller sizes. 4,207 feet of subsidiary mains of 1½"—3" diameter were laid in back lanes. During the water shortage 17,700 feet of temporary wrought iron piping were laid and 335 temporary street fountains were fixed in congested areas in the city. The first section of the Aberdeen West Catchwater was completed and the second section survey commenced. The partial demolition and reconstruction of the Aberdeen Lower Dam was completed and a considerable quantity of silt removed from the Reservoir basin. The reconstruction of the Main Outfall Nullah and existing Road Bridge at the Paper Mills, Aberdeen, was commenced. The Access Road to the Aberdeen Lower Dam was completed except for surfacing. In Kowloon and New Kowloon the following lengths of new mains were laid to improve distribution:—1,020 feet of 18", 1,89[illegible] feet of 15", 1,120 feet of 12", 145 feet of 10", 1,200 feet of 8", 6,020 feet of 6", and 2,305 feet of smaller sizes. 17,439 feet of subsidiary mains of small diameter were laid in back lanes. 10,521 feet of temporary wrought iron piping were laid and 155 temporary street fountains were fixed during the water shortage. 4,750 feet of 6" main were laid from Sam Tack Road to the new Hangar at the Aerodrome. The construction of a new concrete service reservoir on Yaumati Hill was commenced. In the New Territories 4,700 feet of 4" piping were laid at Fanling as part of the scheme to improve this supply. A new concrete service reservoir of 110,000 gallons capacity was constructed at Taipo.

6. Universal meterage was adopted and 5,187 meters were fixed in the Colony during the year. Of this total 2,286 were installed in the Rider Main Areas leaving about 3,268 to be fixed in these areas in 1933.

7. Further borings were taken at the site of the Gorge Dam and the results forwarded to Messrs. Sir Alexander Binnie, Son and Deacon, the Consulting Engineers who commenced preparatory work in connection with the construction of this Dam. The Access Road to the site of the Dam was commenced. The 2nd Section of Rapid Gravity Filters at Shek Lai Pui was completed and brought into use.

8. The Hong Kong Public Gardens Service Reservoir together with 1,460 feet of 24" supply main and 1,268 feet of 18" distribution main were nearly completed.

9. *Reclamations.*—At Tsat Tze Mui a further eight acres was reclaimed making a total of approximately ten acres. The reclamation at Cheung Sha Wan was continued bringing the total area now formed to about fourteen acres.

10. *Piers.*—Construction was completed on the ferry pier situated in front of the Fire Station Building between Queen Victoria Street and Jubilee Street. The ferry pier at Jordan Road was also completed at the end of the year.

11. *Electrical Works.*—The following works were completed during the year:—An underground telephone cable was laid to replace the aerial route between Victoria Gap and Gough Hill Police Station; a 50 line Telephone Switchboard at Taipo Police Station; thirty-five buildings were rewired; an electric power cable was laid at Wanchai Garage; electric light and power installations were fitted to D.O./North's Quarters, Sha Tin Police Station, Taipo Police Station, Tsun Wan Police Station, Sheung Shui Police Station, Taipo Land Bailiffs' Quarters and Au Tau Police Station; the broadcast transmitter was transferred from Cape D'Aguilar to Hung Hom. In addition to minor works the usual maintenance of telephones and Wireless Stations etc. was carried out.

12. *Buildings Ordinance Office.*—The boom in the building industry which was manifest during the year 1931 was maintained throughout the year under review although a slight falling off in the total number of plans submitted for new works occurred. A satisfactory feature in the development has been the number of factories and industrial buildings completed and in course of erection. Impetus in religious works, social welfare and educational interests is reflected in the construction of many fine buildings amongst which should be noted:—Church and Schoolrooms at High Street and Western Street; Chapel and School at Shaukiwan; School and Quarters for Salesian Society on Island Road; Chinese Library at the

University; Po Leung Kuk (Walfare Home for Women) at Leighton Hill Road; La Salle College in Boundary Street; Churches in Prince Edward Road and Austin Road; Chapel in Sai Kung Road and a Nunnery at Ngau Chi Wan. Theatres completed during the year numbered three and three others are at present under construction. Buildings of an improved Chinese tenement type comprise the bulk of the work undertaken but it is satisfactory to note that there is an increasing proportion of good class European type residences, mostly of a detached or semi detached character. The districts wherein the latter form of development is most in evidence continue to be the areas adjacent to Prince Edward Road in Kowloon and Wong Nei Chong Valley in Hong Kong. European type residence to the number of 309 were completed during the year. The number of Chinese houses was 1,121.

13. On the Praya East Reclamation 251 Chinese houses with modern sanitation to all floors were completed. More important buildings at present under constructions on this area comprise the Seamen's Institute, the Royal Naval Canteen and a large Chinese hotel.

14. The introduction of water flush sanitary appliances is now common practice in all classes of buildings where facilities for obtaining independent water supplies exist. The number of water flush appliances fitted during the year was 5,572.

15. Nineteen fires occurred causing structural damage to properties which necessitated action by the Public Works department. The most serious occurred at Aplichau Island where fourteen houses were gutted, fortunately without loss of life. A fire involving the destruction of two houses with the consequent loss of eight lives and injury to seven persons occurred at Pei Ho Street, Kowloon. The houses affected were three-storeyed buildings with wooden floors and a combined wooden staircase to both houses.

16. A concrete wharf 800 ft. in length and 48,000 sq. ft. in area opposite K.M.L. 11 and a concrete pier at Great George Street, 53 ft. long and 2,750 sq. ft. in area were completed during the year.

17. Reclamations in progress during the year were:—I.L. 2918, Shaukiwan Road, covering an area of 102,700 sq. ft. and 138,664 sq. ft. at K.M.L. 52, To Kwa Wan.

Chapter XIII.

JUSTICE AND POLICE.

I. THE COURTS OF HONG KONG.

The Supreme Court of Hong Kong consists of a Chief Justice and one or more other judges. At present there is one other judge.

2. The jurisdiction of the Court is regulated by a number of Ordinances but generally it may be said that the Court exercises a Summary Jurisdiction in all actions where the claim does not exceed $1,000 and an Original Jurisdiction in all actions where the claim exceeds that amount.

3. In addition to the above the Court exercises Admiralty, Probate, Bankruptcy, Lunacy, Criminal and Appellate Jurisdiction.

4. The following is a brief summary of litigation and matters dealt with during the year 1932:—

2696 actions were instituted in the Summary Jurisdiction and the amounts for which judgment was given totalled $497,567.28.

399 actions were instituted in the Original Jurisdiction and the amounts for which judgment was given totalled $1,307,871.47.

25 actions were instituted in the Admiralty Jurisdiction.

443 grants were made in the Probate Jurisdiction.

118 persons were indicted in the Criminal Jurisdiction of whom 83 were convicted.

7 appeals were lodged in the Appellate Jurisdiction 5 of which were heard during the year.

5. The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over all land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

6. The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, one for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates.

7. The following figures show the amount of work done by the lower courts in 1932:—

Civil:—

District Officer North,	
Land Court	50 cases.
Small Debts Court	128 cases.
District Officer South,	
Land Court	200 cases.
Small Debts Court	14 cases.

Criminal:—

Hong Kong Magistracy, two courts......	19,155 cases
Kowloon Magistracy, one court	14,418 cases.
District Officer, North, one court	880 cases.
District Officer, South, one court	126 cases.

II. The Police.

8. The Police Force of the Colony is under the control of the Inspector General of Police who is assisted by one Deputy Inspector General and ten Superintendents. The force consists of four Contingents, European, Indian, and two Chinese viz. Cantonese and Weihaiwei. The strength of the different Contingents is as follows:—

Europeans	245
Indians	726
Chinese (Cantonese)	594
Chinese (Weihaiwei)	283

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of thirty-three Russians and twenty-eight Indian Guards, together with six European Sergeants, eight Indian Sergeants and ninety-five Weihaiwei Chinese Constables, who are included in the Police strength. The Anti-Piracy Guards are employed and paid for by Shipping Companies for service in the China Seas.

9. Further, the department engages and supervises 1,129 Indian and Chinese watchmen who are paid by private individuals for protection of private property.

10. The waters of the Colony are policed by a fleet of ten steam launches and three motor boats which employ a staff of two hundred and forty-four Chinese under European officers.

11 There were 5,708 serious cases of crime in 1932 as against 5,284 in 1931, an increase of 424 or 7.4%. There was an increase of 87 cases in house breaking, of 13 in burglaries and a decrease of 186 in larcenies. Murder showed an increase of 13 cases; robberies a decrease of 13 cases, a total of 66 cases as against 79 cases in 1931. There were 15,364 minor cases in 1932 as against 17,444 in 1931; a decrease of 1,080 cases or 6.1%.

III. Prisons.

12. There are three prisons in the Colony. Victoria Gaol in Hong Kong is the main prison for males. This prison is built on the separate system, but segregation is difficult owing to lack of space and accommodation. It contains cell accommodation for 644 only and prisoners are often kept in association through unavoidable overcrowding. There is a branch male

prison at Lai Chi Kok near Kowloon, with accommodation for 480 prisoners. In this establishment all the prisoners sleep in association wards and only selected prisoners are sent there as the prison was not originally built as such. It was converted from a Quarantine Station in 1920, for temporary use pending the building of a new prison. A new female prison at Lai Chi Kok was opened on 19th April. A new general prison has been approved and site preparations will be commenced in 1933.

13. The total number of persons committed to prison in the year 1932 was 7,793 as compared with 6,767 in 1931. The daily average number of prisoners in the prisons in 1932 was 1,114. The highest previous average was 1,189 in 1927. Over 90% of prisoners admitted are persons born outside the Colony.

14. The health of the prisoners generally was well maintained in the prisons.

15. The discipline in all three prisons was good.

16. Prisoners are employed at printing, bookbinding, tinsmithing, matmaking, tailoring, carpentering, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of the Government printing and bookbinding is done in Victoria Gaol.

17. A small separate ward is reserved in Victoria Gaol for Juveniles who are kept as far as possible apart from other prisoners. The daily average number of Juveniles in 1932 was 3.7. A school-master attends daily to instruct them. In 1929 the daily average was high and a separate hall was set aside at Lai Chi Kok for Juveniles, but the number is now so small that it has been found more expedient to deal with them in Victoria Gaol.

18. Police Magistrates may, under the provisions of the Magistrates Ordinance No 41 of 1932, give time for the payment of fines.

19. Lady visitors attend the Female Prison twice weekly to instruct the prisoners in hand-work and to impart elementary education.

20. Visiting Justices inspect and report on the prisons every fortnight.

Chapter XIV.

LEGISLATION.

Forty-three Ordinances were passed during the year 1932. These and also the Regulations, Rules, By-laws and other subsidiary legislative enactments are published in a separate volume by the Government Printers. The forty-three Ordinances comprised two appropriation, one replacement, two incorporation, eleven consolidation, twenty one amendment, and six Ordinances which were new to the Colony.

2. The Appropriation Ordinance (No. 29) applied a sum not exceeding $27,585,142 to the public service for the year 1933, and Ordinance No. 25 appropriated a supplementary sum of $1,818,307.78 to defray the charges of the year 1931.

3. The replacement Ordinance was the Industrial and Reformatory Schools Ordinance (No. 6) which is closely modelled on the English law and the Straits Settlements Ordinance No. 47, with only such modification as were considered necessary to suit local conditions.

4. Ordinance No. 16 incorporated the directors for the time being of the Chinese Young Men's Christian Association of Hong Kong, and Ordinance No. 17 incorporated the members for the time being of the Council of St. Stephen's College, Hong Kong. These Ordinances followed the usual lines adopted in such cases.

5. The following Ordinances, viz. Estate Duty (No. 3), Opium (No. 7), Pensions (No. 21), Factories and Workshops (No. 27), Dangerous Drugs (No. 31), Police Force (No. 37), Prisons (No. 38), Companies (No 39), Summary Offences (No. 40), Magistrates (No. 41), and Registration of United Kingdom Patents (No. 42) consolidated and in some cases amended the existing law on these subjects. Of these, the Pensions Ordinance (No. 21) is based on the recent pension enactments of similar Colonies, and replaces the former procedure under which pensions, retired allowances and gratuities in respect of the public service were granted by order and in accordance with the directions of the Secretary of State for the Colonies. The Companies Ordinance (No. 39) enacts the provisions of the Companies Act, 1929, (19 & 20 Geo. V. c. 23) as far as they are applicable to local circumstances, and incorporates certain local provisions formerly in force. In the Police Force Ordinance (No. 37), the Summary Offences Ordinance (No. 41), and the Magistrates Ordinance (No. 40), certain provisions were re-arranged and all three Ordinances were enacted to come into force together on 1st January, 1933.

6. The Ordinances new to the Colony were the Juvenile Offenders Ordinance (No. 1), based on a Home model, which with the Industrial and Reformatory Schools Ordinance (No. 6, paragraph 3 supra.) incorporated the recommendations of a committee appointed to report on the measures required for the institution of Juvenile Courts in the Colony; the Employment of Young Persons at Sea Ordinance (No. 13), which applied to the Colony the convention adopted by the International Labour Convention of the League of Nations on 9th July, 1920 on this

subject; the City Hall Resumption Ordinance (No. 22), the Minimum Wage Ordinance (No. 28), which provides for fixing minimum wages in occupations where the wages paid are unreasonably low, and so carries out the obligations arising from Article 421 of the Treaty of Versailles in respect of the International Labour Convention; the Empire Preference Ordinance (No. 32), which supports as far as local circumstances permit the conclusions of the Ottawa Conference; and the Divorce Ordinance (No. 35), modelled on the Straits Settlements Ordinance No. 123, with variations, notably the definition of a Christian marriage or its equivalent, derived from Nachimson's case (1930 P. 217) Brinkley's case (15 P.D. 76) Hyde's case (1 P. & M. 130) and Bethell's case (38 Ch. D. 220), which was considered the appropriate basis of jurisdiction of this kind in a largely non-Christian Colony, and the inclusion of a provision enabling a wife to found her petition on adultery alone or on certain grave offences.

7. The twenty-one amending Ordinances covered a wide range of subjects such as Po Leung Kuk Incorporation (No 4), Chinese Temples (No. 5), Medical Registration (No. 8), Vaccination (No. 9), Employers and Servants (No. 10), Military Stores (Exportation) (No. 11), Births and Deaths Registration (No. 12), Importation and Exportation (No. 14), United Kingdom Designs (Protection) (No. 15), Vagrancy (No. 19), Liquors (No. 20), Merchant Shipping (No. 23), Crown Solicitors (No 24), Foreshore and Sea Bed (No. 26), Waterworks (No. 30), Supreme Court (Admiralty Procedure) (No. 33), Marriage (No. 34) and Protection of Women and Girls (No. 43).

8. In the case of Ordinances No. 1 (Juvenile Offenders), No. 6 (Industrial and Reformatory Schools), No. 27 (Factories and Workshops), No. 35 (Divorce), No. 31 (Dangerous Drugs) and No. 33 (Supreme Court Admiralty Procedure) the date of commencement will be determined by Proclamation after notice of non-disallowance has been received.

9. Similarly, the subsidiary legislation covered a wide range of subjects, including Merchant Shipping, Tobacco, Liquors, Air Navigation, Importation and Exportation, Vehicles and Traffic, Gunpowder and Fireworks, Dogs, Crown Fees, Post Office, Vaccination, Licensing, Eating-houses, Markets, Cremation, Aerated-water Manufactories, Laundries, Bakehouses, Food-preserving Establishments, Dairies, Dangerous Drugs, Passports, Nurses Registration, Wireless Telegraphy, Emergency Regulations, Prisons, Advertisements, Prevention of Disease, Dangerous Goods, Public Places, Ferries, Places of Public Entertainment, New Territories, Waterworks and Merchandise Marks.

10. Legislative provision for compensation for accidents, sick pay and old age pensions such as obtains in the United Kingdom has not been adopted in the Colony where the labour

population is mainly alien and fluctuates extensively, coming from or returning to China according to the demand for its services.

Chapter XV.

PUBLIC FINANCE & TAXATION.

The following tables show the Revenue and Expenditure for the five years 1928 to 1932 inclusive.

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit*
1928	$24,968,399	$21,230,242	$3,738,157	—
1929	23,554,475	21,983,257	1,571,218	—
1930	27,818,473	28,119,646	—	$301,173
1931	33,146,724	31,160,774	1,985,950	—
1932	33,549,716	32,050,283	1,499,433	—

2. The revenue for the year 1932 amounted to $33,549,716 being $441,794 less than estimated but $402,992 more than the revenue obtained in 1931.

3. Duties on imported liquor and tobacco were less than estimated as they are on a sterling basis and were reckoned on an exchange rate of $1=1/- whereas the average rate throughout the year was over 1/3. Assessed Taxes show a normal increase due to expansion but large decreases were shown by the Opium Monopoly of $685.774 and in Stamp Duties of $280,799. A considerable increase amounting to $298,439 was shown under Water Excess and Meter Rents due to general building development and to the institution of universal meterage. Land Sales were less than estimated to the extent of $379,341.

4. The expenditure for the year 1932 amounted to $32.050,283 being $2,931,378 less than estimated but $889,509 more than the expenditure in 1931.

5. Ordinary expenditure amounted to $29,082,423, Public Works Extraordinary to $1,967,860 and a sum of $1,000,000 was paid to the Admiralty as part payment for the surrender of the Naval Arsenal and Kellett Island. Large savings resulted under Personal Emoluments, compared with the amounts inserted in the Estimates, on account of the higher exchange prevailing throughout the year. Changes in personnel and vacancies in office also reduced the amount but most of this under-expenditure amounting to $2.480,875 was due to the rise in the sterling value of the dollar. Under Other Charges savings were also effected amounting to $479,605. Expenditure on Public Works Extraordinary fell short of the original estimate by $205,685 but $378,820 more than estimated was expended on recurrent maintenance and improvements.

6. *Debt.*—The total amount of sterling debt outstanding at the close of 1932 was £1,485,732.16.5, the sinking fund for its redemption amounting to £832,751. There is also the 1927 Public Works Loan of $4,927,000; the sinking fund for which amounted at the end of 1932 to £125,792.

7. The Assets and Liabilities of the Colony on the 31st December, 1932, are shown in the following statement:—

LIABILITIES.	$ c.	ASSETS.	$ c.
DEPOSITS :—		ADVANCES :—	
Contractors and Office s Deposits	468,375.00	On account of Future Loan	4,920,364.85
Suitors Fund	558,260.25	Purchase of three Locomotives for Chinese Section Kowloon Canton Railway	387,468.26
Miscellaneous Deposits	3,828,592.95	Miscellaneous	85,205.52
Insurance Companies	1,539,050.00	Building Loans	1,030,781.45
		Imprest Account	6,776.47
Suspense Account	976,782.27	Subsidiary Coin	1,225,592.08
Exchange Adjustment	285,083.27	House Service Account	5,740.22
Trade Loan Reserve	1,081,487.12	Investments:—	
		Surplus Funds	1,682,784.92
Praya East Reclamation	124,657.26	Trade Loan Outstanding	752,751.50
		Coal Account	1,966.81
		Unallocated Stores, (P.W.D.)	469,073.88
		Unallocated Stores, (Railway)	172,327.81
		Cash Balance :—	
		Crown Agents	10,916.39
Total Liabilities	8,862,288.12	Treasurer	4,340,056.04
		* Joint Colonial Fund	3,486,117.64
Excess of Assets over Liabilities	12,847,062.24	Fixed Deposits:— General $1,592,366.52 Insurance Companies 1,539,050.00	3,131,416.52
Total $	21,709,350.36	Total $	21,709,350.36

*Joint Colonial Fund £231,500.,0s.,0d.

8. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of $6,332,066 being collected in 1932. This represents 18.9% of the total revenue or 19.7% of the revenue exclusive of land sales. The rates vary from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues ond Buoy Dues brought in the sum of $811,860.

9. Duties on intoxicating liquors realized $2,387,257, tobacco $3,476,137, postage stamps and message fees $1,964,593. A considerable sum is also derived from the opium monopoly, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realized $1,370,658. The receipts of the Kowloon Canton Railway which was completed in 1910 amounted to $1,295,789, a considerable increase being shown under Passenger Service.

10. *Customs Tariff.*—There is an import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no Export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

11. The duties on imported liquor range from $0.60 per gallon on beer to $1.20 on Chinese liquor and to $10 on sparkling European wines and perfumed spirits. The duties are collected on a sterling basis, the conventional dollars in the tariff being converted at a rate which is varied from time to time according to the market rate of exchange between the local dollar and sterling. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

12. The duties on tobacco range from $0.70 per lb. on the lowest taxed unmanufactured tobacco to $2 per lb. on cigars. The duties are collected on a sterling basis in the same manner as the liquor duties.

13. A duty of 25 cents per gallon is payable on all light oils imported into the Colony.

14. *Excise and Stamp Duties.*—The same duty is imposed on liquors (mainly Chinese type) manufactured in the Colony as on imported liquors.

15. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly ad valorem. The following are examples of the duties charged:—Affidavits, Statutory Declarations, etc., $3; Bills of Exchange (inward) and Chesues, 10 cents; Bills of Lading, 15 cents when freight under $5, 40 cents when freight over $5; Bond to secure the payment or repayment of money, 20 cents for every $100 or part thereof; Conveyance on sale, $1 for every $100 or part; Mortgages, principal security, 20 cents for every $200 or part; Life Insurance Policy, 25 cents for every $1,000 insured; Receipt, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

16. No Hut Tax or Poll Tax is imposed in the Colony.

W. T. SOUTHORN,
Colonial Secretary.

20th May, 1933.

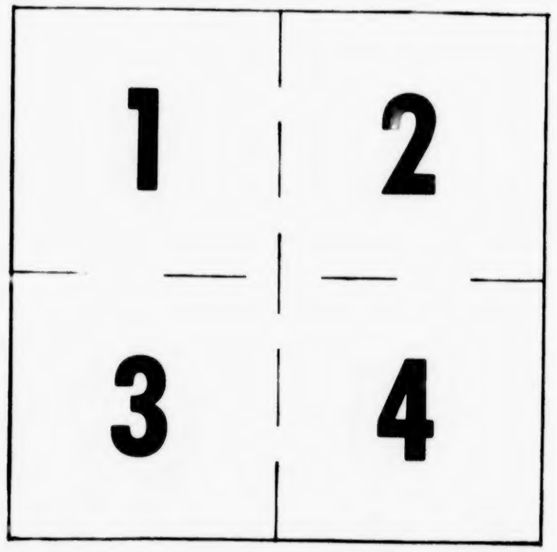
Appendix.

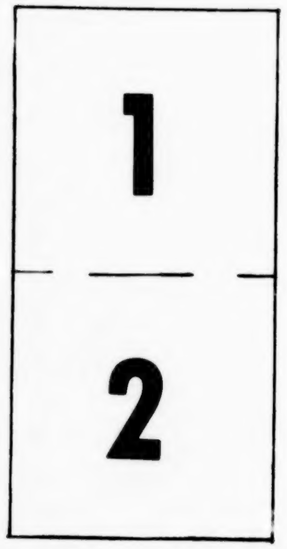
LIST OF PUBLICATIONS OF GENERAL INTEREST RELATING TO HONG KONG.

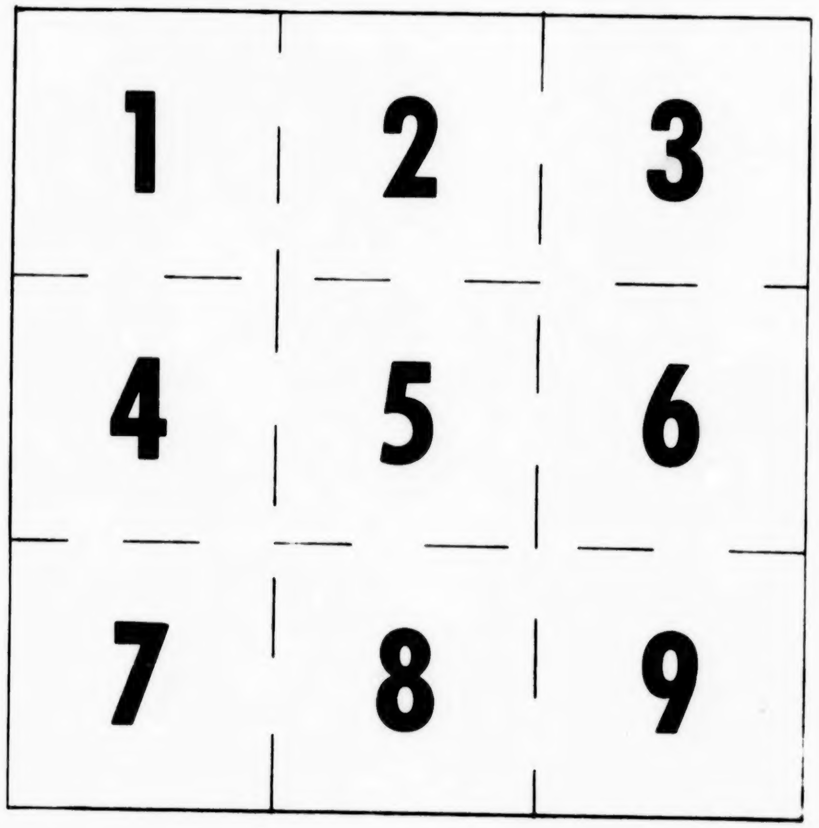
Title	Price	Agents for sale
	$	
Sessional Papers (Annual)	2.00	Colonial Secretariat and Government Printers.
Blue Book (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents for the Colonies, London.
Ordinances-Ball's Revised Edition (In 6 Volumes) 1841-1923.	90.00	Do.
Regulations of Hong Kong 1841-1925	30.00	Colonial Secretariat
Ordinances and Regulations (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents.
Administration Reports (Annual)	3.00	Colonial Secretariat and Government Printers.
Estimates (Annual)	3.00	Do.
Government Gazettes (Weekly)	.50	Government Printers and Crown Agents.
Meteorological Bulletin (Monthly)	10.00 per annum	Government Printers.
Hong Kong Trade and Shipping Returns (Monthly)...........	2.00	Government Printers and Crown Agents.
Do. (Annual)	2.00	Do.
Hansards (Annual)	5.00	South China Morning Post, Hong Kong.
Historical & Statistical Abstract of the Colony of Hong Kong 1841-1930.	4.00	Colonial Secretariat.
The Hong Kong Naturalist (Quarterly).	2.00	Hong Kong University.
Hong Kong: A Guide Book......	1.00	Kelly & Walsh, Ltd., Hong Kong.
Hong Kong: Around and About, by S H. Peplow & M. Barker.	5.00	Do.
A Hong Kong Sketch Book, by S. A. Sweet..........................	2.50	Do.
History of Hong Kong by Eitel.	...	Out of Print.

Sections on Hong Kong will be found in the annual "China Year Book" published by the North China Daily News and Herald Ltd. Shanghai (London Agents Simpkin Marshall Ltd. price $20.00, and the annual "Directory and Chronicle of China, Japan etc." published by the Hong Kong Daily Press at Hong Kong Price $12.00 and obtainable at their London office at 53, Fleet St. for £2.

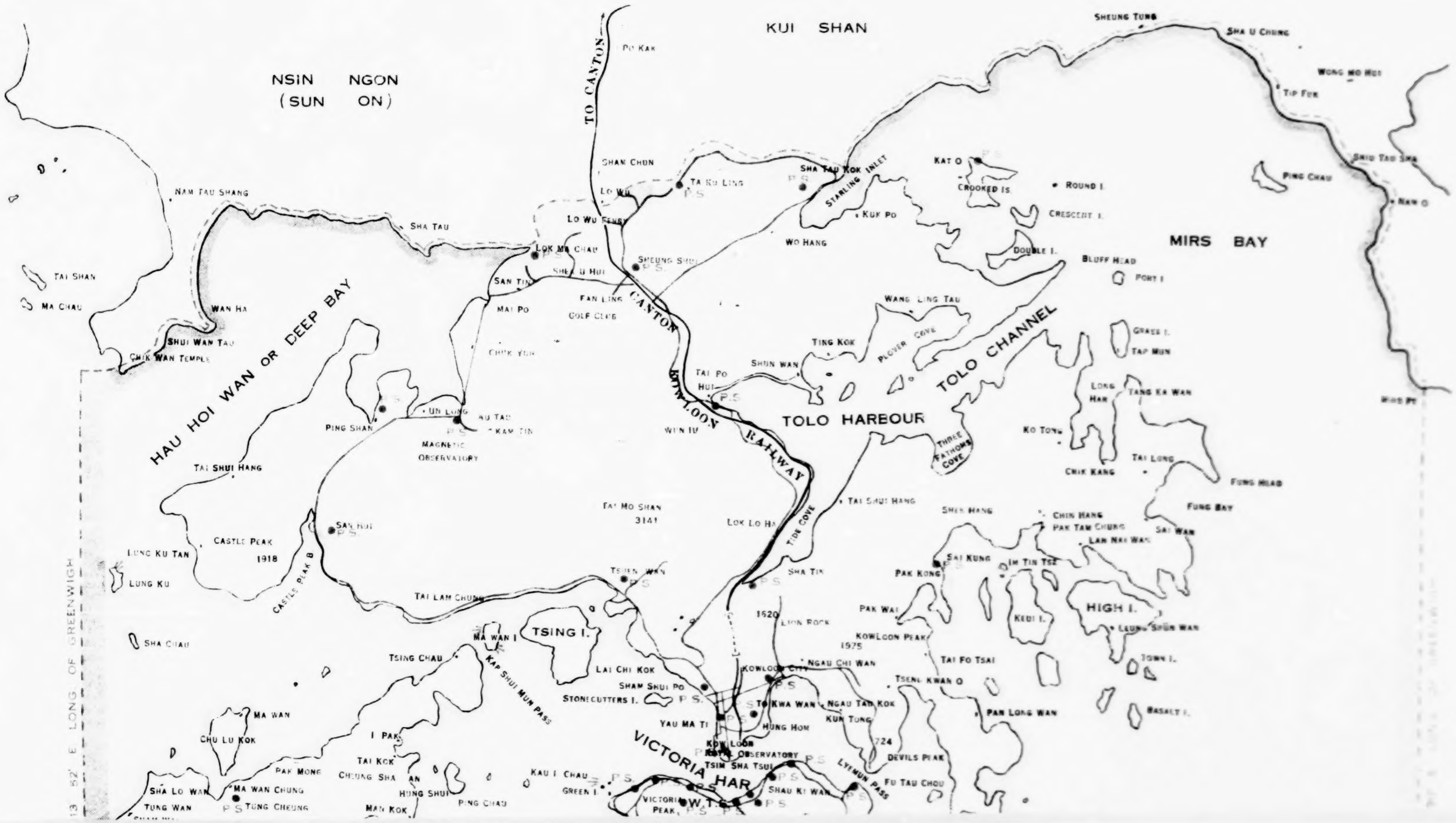
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







MAP OF HONG KONG AND NEW TERRITORIES.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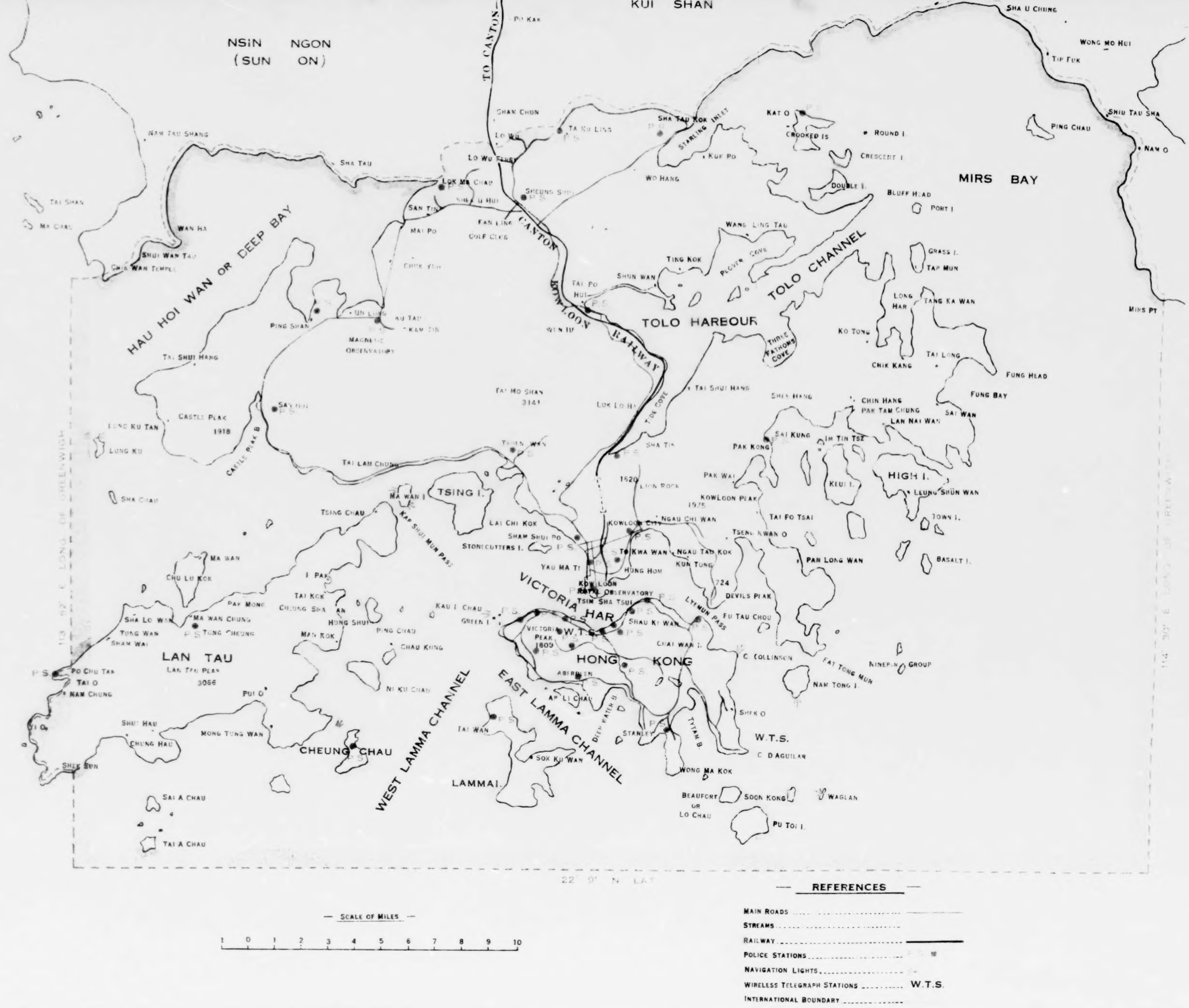
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RAILWAY
POLICE STATIONS P.S.
NAVIGATION LIGHTS
WIRELESS TELEGRAPH STATIONS W.T.S.
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No. 1673

ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF

HONG KONG, 1933

*(For Reports for 1931 and 1932 see Nos. 1585 (Price 1s. 6d.)
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Information as to the 1st Edition (1930). [Colonial No. 56] 3*s.* (3*s.* 3*d.*).

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[Colonial No. 92.] 9*d.* (10*d.*).

COLONIAL DEVELOPMENT ADVISORY COMMITTEE.
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Conference of Empire Survey Officers, 1931.
[Colonial No. 70.] £1 (£1 0*s.* 9*d.*).

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Report of Joint Select Committee. H.C. 156.
Vol. I—Report and Proceedings ... 1*s.* 6*d.* (1*s.* 8*d.*).
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[*Continued on page iii of cover.*

ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF HONG KONG DURING THE YEAR 1933.

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Chapter I.

GEOGRAPHY, INCLUDING CLIMATE AND HISTORY.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area 28¾ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

2. The island of Hong Kong was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The total area of the Colony including the New Territories is about 390 square miles.

3. The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya, and elsewhere. It is also the natural distributing centre for imports into China from abroad.

4. The Colony is not primarily a manufacturing centre, the most important of its industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings. Sugar refining and cement manufacture are also major industries, and in recent years considerable quantities of knitted goods, electric torches and batteries, and rubber shoes have been produced and exported.

5. The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95°F. or falls below 40°F. The average rainfall is 85.16 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere is often very high, at times exceeding 95% with an average over the whole year of 79%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

6. The rainfall for 1933 was 62.35 inches. The mean temperature of the air was 72°.5 against an average of 71°.9. The maximum gust velocity of the wind was at the rate of 67 m.p.h. from S.S.W. on June 29th, and again of 67 m.p.h. from N.N.E. on September 20th.

7. During the course of the year Admiral Sir Frederic C. Dreyer, K.C.B., C.B.E., took over the command of the China Station from Admiral Sir W. A. Howard Kelly, K.C.B., C.M.G., M.V.O., and the Chief Justice, Sir Joseph Kemp, Kt., C.B.E.,

and the Secretary for Chinese Affairs, Mr. E. R. Hallifax, C.M.G., C.B.E., left the Colony on leave prior to retirement. Among the honours conferred by His Majesty the King were:—K.B.E.: Sir Thomas Southorn, C.M.G., Knight Bachelor: Sir William Shenton.

8. The Colony's transport facilities were improved by the unification of the omnibus services on the Island and Mainland respectively and the establishment of a vehicular ferry service between Victoria and Kowloon.

9. Among factors helping to develop Imperial trade may be mentioned the appointment of Mr. G. C. Pelham as H. M. Trade Commissioner for Hong Kong and Commercial Secretary for South China and the holding of the second British Empire Fair, which was attended by some 200,000 people.

10. No major fluctuation in the dollar occurred during the year. The average was 1s. 4¼d., the dollar appreciating gradually from 1s. 3½d. in January to 1s. 4$^{11}/_{16}$. in December.

Chapter II.

GOVERNMENT.

The Government is administered under Letters Patent of 14th February, 1917, and Royal Instructions of the same and subsequent dates, by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, all of whom are members ex-officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are also members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are the Inspector General of Police, the Harbour Master, and the Director of Medical and Sanitary Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council

2. The Sanitary Board composed of four official and six unofficial members has power to make by-laws under the Public Health and Buildings Ordinance in matters appertaining to public health, subject to an overriding power in the Legislative Council.

3. There is a number of advisory boards and committees, such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board, etc., composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

4. The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

5. The daily administration is carried out by the twenty-eight Government departments, which are officered exclusively by members of the Civil Service. The most important of the purely administrative departments are the Secretariat, Treasury, Secretariat for Chinese Affairs, Harbour, Post Office, Imports and Exports Office, Police and Prisons departments. There are seven legal departments, amongst these being the Supreme Court and the Magistracies. Two departments, the Medical and Sanitary, deal with public health; one, the Education, with education; and one, the largest of all the Government departments, the Public Works, is concerned with roads, buildings, waterworks, piers and analogous matters.

6. There have been no changes in the system of Government in the year under review.

Chapter III.

POPULATION AND BIRTHS AND DEATHS.

Variation in population in Hong Kong is more dependent on immigration and emigration than on births and deaths. Movements to and from the Colony are influenced by events in China and owing to the large numbers who come and go daily it is impossible to give more than a very rough estimate of the actual population.

2. The following table shows the estimated population for the Colony for the middle of 1933.

Non-Chinese (mostly resident in Victoria and Kowloon)	20,446
Chinese in Victoria ...	368,739
Chinese in Hong Kong Villages	45,286
Chinese in Kowloon and New Kowloon	286,896
Chinese in junks and sampans	100,000
Chinese in New Territories	101,276
Total	922,643

3. During the year 2,787,436 persons entered and 2,712,389 persons left the Colony, making a daily average of 7,637 arrivals and 7,431 departures. The daily average for 1932 was 8,129 arrivals and 7,728 departures.

4. Registration of Births and Deaths is the rule in the urban districts but in the New Territories generally registration has not yet been fully enforced; therefore, in computing birth rates and death rates the population of the New Territories should not be taken into account.

5. The number of births registered was:—

Chinese	14,909
Non-Chinese	453

6. The deaths registered among the civil population number 18,161 giving a crude death rate of 22.11 per mille as compared with 24.74 for the previous year.

	Deaths.	*Estimated Population.*	*Death rate per mille population.*
Non-Chinese	233	20,446	11.39
Chinese	17,928	800,921	22.38

7. The number of deaths of infants under one year was Chinese 6,782, non-Chinese 40. If the figures for Chinese births represented the total births, which they do not, the infantile mortality figure for the Chinese would be 454.89 as compared with 525.28 in the previous year. The infantile mortality figure among non-Chinese was 88.30 as compared with 97.93 in 1932.

Chapter IV.

PUBLIC HEALTH.

In the absence of some general system of registration of sickness, the only sources of information available for gauging the state of the public health in this Colony are the returns relating to deaths, the notifications of infectious diseases and the records of Government and Chinese hospitals. Judging from the death returns the health of the Colony was better than that of the previous year. The crude death rate was 22.11 per mille as compared with 24.74 for 1932.

2. Respiratory diseases accounted for 41.93 per cent of the total deaths; the percentage for 1932 was 43.05. The principal diseases causing death were broncho-pneumonia, pulmonary tuberculosis, bronchitis, pneumonia, infantile diarrhoea and diarrhoea.

3. The overcrowded houses, the expectorating habits of the people, and poverty furnish sufficient explanation for the prevalence of respiratory troubles.

4. *Pulmonary Tuberculosis.*—This disease continues to rank second to broncho-pneumonia as the principal cause of death. It is probable that some of the cases of the latter were of tuberculous origin.

5. The total number of deaths was 2,225; that for 1932 was 2,042. The death rate per mille was 2.71 as compared with 2.54 for the previous year.

6. There is need for more hospital or infirmary accommodation for tuberculosis patients, especially for those of the poorer classes.

7. *Malaria.*—Owing to efficient drainage methods this disease has disappeared from the greater part of the urban districts. It still persists, however, in the suburbs and in the rural areas. There are parts of the New Territories where the spleen rate exceeds 75 per cent.

8. Malaria not being a notifiable disease the incidence figures are unknown. The cases admitted to the Government Hospitals numbered 482 as compared to 334 in the previous year. The percentage of deaths to cases admitted was 1.66. Among the Chinese Hospitals there were 925 admissions with a case mortality rate of 22.51 per cent.

9. The total number of deaths attributed to this disease was 414, giving a death rate of 0.50 per mille over the whole population. The low death rate is, of course, due to the fact

that the great bulk of the population residing in the drained urban area is not subject to risks of infection. If figures for local districts were available it would be found that in some areas the incidence and death rates were very considerable.

10. During the year the Malaria Bureau continued its investigations into the life history, habits and carrying powers of the local anophelines. The result obtained were both interesting and instructive. As in previous years there was no obstruction from the local Chinese; on the contrary they took an interest in the proceedings and showed their eagerness to be of assistance. The Chinese Inspectors have shown ability and zeal.

11. The Bureau co-operated fully with the Military Authorities and with the Public Works Department.

INFECTIOUS DISEASES.

12. During the year there were reported 566 cases of smallpox, 191 cases of cerebro-spinal fever, 122 cases of diphtheria and 207 cases of enteric. There were no cholera cases.

13. *Smallpox.*—Every year in the cold season this disease manifests itself in outbreaks which are sometimes sporadic, sometimes epidemic. Whatever the prevalence there is always a tendency for the morbidity rate to decline or disappear with the advent of summer. In the year under review there were 566 cases and 433 deaths. 194 cases only were treated in hospital the remainder did not come under the notice of the authorities until after death.

14. The vaccination campaign was continued and during the year 45,850 persons were vaccinated. Valuable assistance was afforded by the St. John Ambulance Brigade and by the Chinese Public Dispensaries. Both bodies engaged in active propaganda and through their efforts many were persuaded who otherwise would have kept aloof. The various sections of the Brigade again carried out street vaccination with excellent results.

15. The Chinese have a preference for vaccination in the spring as being the auspicious season, and for a month or two after Chinese New Year the Chinese Public Dispensaries are crowded with children waiting to be done.

16. The majority of Chinese still hold the opinion that the herbalist treatment of smallpox gives better results than the methods adopted by practitioners qualified in Western medicine. An analysis of the statistics of (*a*) the Tung Wah Infectious Diseases Hospital where only herbalist treatment is carried out, and (*b*) the Government Infectious Diseases Hospital where

western treatment only is provided shows that this view is not correct. Calculating on the figures for the last 24 years the case death rate at the Tung Wah was 48.25 per cent while that at the Government institution was 15.53 per cent.

17. *Plague.*—For the last four years no cases of plague have been reported in Hong Kong. The disappearance of this disease not only from this Colony but from the greater part of China and its decline throughout the world are due to factors which are not understood.

18. Systematic rat-catching and periodical cleansing of houses were carried out throughout the year. The total number of rats collected was 174.272 of which 17,038 were taken alive, as compared with 174.239 and 12,792 in 1932. The number collected each year shows that there is no diminution in the rat population. All the rats collected were sent to the Public Mortuary for examination. None was found infected.

19. *Cerebro-spinal Fever.*—There was an out-break of cerebro-spinal fever in Hong Kong which was sporadic in character. Altogether 191 cases were reported with 118 deaths. No special foci of infection were discovered and few instances where one could trace the source of infection. The cases were treated in the general hospitals without any instance of spread of infection.

20. Sera manufactured at the Bacteriological Institute were used therapeutically.

21. *Diphtheria.*—With regard to diphtheria there is little to be said. The cases were sporadic and the sources of infection were seldom discovered.

22. *Enteric.*—What has been said of diphtheria applies to enteric. The incubation period being so long and the possible sources of infection so numerous there is little chance of tracing in any case the source of infection.

THE DUMPING OF THE DEAD.

23. The number of bodies reported by the police as dumped was 1,347 as compared with 1,427 in 1932. In an endeavour to stop this practice chambers for the deposit of corpses have been established at all the Chinese Public Dispensaries. In some cases the top of the table is so arranged that the weight of a body on it closes an electric circuit which rings a bell in the caretaker's room. So far the chambers have not been an unqualified success and dumping in the street at dead of night continues to happen.

THE GOVERNMENT CIVIL HOSPITAL.

24. The Hospital consists of three blocks and contains 225 beds in 23 wards. About one half the accommodation has been placed under the care of the clinical professors of the University who have been gazetted respectively Surgeon, Physician and Obstetric Physician to the Hospital.

The number of inpatients in 1933 was 5,113 as compared with 4,876 in the previous year.

25. Attendances at the Outpatient Department numbered 51,925 (47,627 in 1932). Exclusive of the V. D. clinic, the greater part of the work of this department is done by the staff of the University.

26. Attached to the hospital is a Maternity Hospital of 21 beds. There were 932 cases in 1933 and 885 in 1932. With the exception of a few cases attended by the Government Medical Officers all the cases were under the care of the University Professor and his assistants.

MENTAL HOSPITAL.

27. Situated close to the Government Civil Hospital is the Mental Hospital which is under the direction of the Medical Officer in charge of the Government Civil Hospital. There are separate divisions for European and Chinese. The European section contains 14 beds and the Chinese section 18 beds. This hospital is mainly only a temporary abode for mental cases, those of Chinese nationality being sent to Canton, and those of other nationalities repatriated to their respective countries. There were 352 cases in 1933 and 307 in 1932. While there are 14 European beds and 18 native beds, the daily average number of patients for 1933 was 35.9.

GOVERNMENT INFECTIOUS DISEASES HOSPITAL.

28. This hospital situated on the Western outskirts of the City of Victoria is the only Government Institution of its kind for the whole Colony. Formerly a Police Station it contains only 26 beds. Twenty-eight cases were admitted in 1933 as compared with two hundred and eighty one cases in 1932.

KOWLOON HOSPITAL.

29. Situated on the mainland this hospital has 84 beds and 8 cots. During 1933 the number of patients treated was 2,321, the number of 1932 was 2,132.

A new general diseases block and quarters for a second Medical Officer have been completed and the new Nurses hostel will shortly be ready for occupation.

CHINESE HOSPITALS.

(Government aided).

30. The Chinese Hospitals.—Tung Wah, Tung Wah Eastern and Kwong Wah—are hospitals which are maintained by the Tung Wah Charity Organisation, a purely Chinese body. These institutions, which are assisted by Government, are under inspection by the Government Medical Department. Each has as its Medical Superintendent a Chinese Medical Officer who is paid by Government. The Medical staff consists of Chinese Medical Officers, qualified in Western Medicine, and Chinese Herbalists.

The patient is given his choice of treatment.

HOSPITAL	No. of beds	No. treated in 1933		No. treated in 1932	
		Western Medicine	Chinese Herbalist Medicine	Western Medicine	Chinese Herbalist Medicine
Tung Wah – General...	414	5,588	4,491	5,918	5,086
Maternity.	24	1,600	—	1,560	—
Kwong Wah – General.	269	6,082	3,195	6,190	2,339
Maternity.	57	4,096	—	3,327	—
Tung Wah Eastern—General ...	240	2,560	2,680	2,690	1,872
Maternity.	14	767	—	588	—

31. Tung Wah Infectious Diseases Hospital.—Situated in Kennedy Town and adjacent to the Government Infectious Diseases Hospital is the Tung Wah Infectious Diseases Hospital, an institution containing 30 beds where 60 patients could be accommodated at a pinch. The treatment here is left almost entirely to the herbalists.

During the year there were 137 patients, as compared with 77 in the preceding year.

Chapter V.

HOUSING.

In recent years some evidence has been shown amongst the artizan class of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. This class of labour has to find its habitat as close as possible to the scene of its labour, with the result that the Western part of the City of Victoria, which houses the native business quarter and closely adjoins the portion of the harbour handling the traffic from the West River and Chinese Coast Ports, is seriously overcrowded.

2. These conditions are being slowly mitigated by the rebuilding of properties which from time to time are condemned for reasons of structural defects. This process of elimination is however, too slow to create any appreciable improvement. The legislation now being contemplated, which calls for the provision of reasonable yard space, when made operative, will hasten the removal or reconstruction of much of the old property. This, whilst providing improved housing conditions, will no doubt mean increased cost of living to the labouring classes.

3. Hitherto, the hostility of the property-owning class to the introduction of legislation requiring additional open space and *per se* reducing the earning power of the property has been the chief obstacle in obtaining improved conditions. It can, however, be recorded that this spirit of obstruction is less evident today as a result of education, and of the example set by some of the better class of realty companies whose blocks of tenement houses compare not unfavourably in essential respects with modern European practice.

4. The housing of the Colony is all privately owned, and control is maintained by the operation of the Public Health and Buildings Ordinance, the provisions of which also mould the character of the housing. Generally the houses are built back to back in rows, separated by a scavenging lane six feet in width specified by the Ordinance. These houses vary in height from two to four storeys according to the width of the street on to which they front, whilst the average height per storey is twelve feet, a minimum being controlled by the Ordinance. The houses built prior to the 1903 Ordinance covering the greatest part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. After the passing of the Public Health and Buildings Ordinance No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot is governed,

and falls under two main heads, *viz*:—(*a*) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must not be less than one fourth the area of the site and (*b*) houses built on land bought subsequently where the minimum is raised to one third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitations than to economics) and a depth of about thirty-five feet, whilst each storey consists of one large "room" with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles each of which may accommodate a family. A latrine is built at ground floor level, one to each house irrespective of the number of occupants, and is common to all.

5. Structurally the earlier houses are of blue bricks (of native manufacture having a very low structural value) and timber, (usually China fir which is extremely susceptible to the ravages of white ants). Lately, however reinforced concrete and better quality bricks have been used.

6. In the City of Victoria the major defect of housing is due to lack of town planning, but since a large proportion of the City was erected in the early days of the Colony, when town planning was little practised even in Europe, the conditions to-day are a heritage, the elimination of which involves immense sums of money, and probably considerable opposition if attempted on a large scale.

7. Generally many of the old houses suffer from defects which are attributable to the Ordinance of that time. Passed in 1903 the measure was framed to meet existing conditions, both structurally and hygienically as they were then understood and practised. But, viewed in the light of modern practice and knowledge, many of its provisions are found to be lax and the following are the main resultant defects:—

(*a*) The open space is insufficient, especially with regard to earlier houses, *i.e.* those built on land purchased prior to 1903.

(*b*) Latrine accommodation is insufficient.

(*c*) Staircases are too narrow and steep, and often unlighted.

(*d*) Means of escape in case of fire insufficient

Note:—

(*b*) In the case of new buildings where owners are able to provide by means of a well or otherwise an adequate water supply, flush sanitation is now usually provided on each floor. This is one of the most important steps forward in sanitation that has been achieved.

(*c*) and (*d*) have been provided for by recent amendments of the Public Health and Buildings Ordinance, which call for any new staircases in tenement houses to be of fire-proof construction, with alternative means of egress from all floors more than twenty three feet above the footpath. The remarks above apply more particularly to the housing of the wage-earning Asiatics. The housing for the wealthier classes is provided for by modern flats three or four storeys high, and in the suburban areas by detached or semi-detached houses usually two storeys high which may be occupied separately or as flats.

8. A new Buildings Ordinance has been drafted, which will eliminate many of the present defects and demand a higher standard generally, whilst the building owners are themselves realising the advantages of modern constructional methods. Town planning improvements are being carried out wherever possible in Hong Kong whilst the development of Kowloon is proceeding according to a definite lay-out.

Chapter VI.

PRODUCTION.

Hong Kong is the port for South China, and the greater part of the large volume of goods that pass through it is in transit between South China and other parts of the world, including North and Middle China. The Colony itself produces comparatively little, though the shipbuilding, cement, sugar refining and cotton knitting industries are not unimportant. Neither agriculture nor mining is carried on to any great extent, though the former is practised throughout the New Territories. Rice and vegetables are grown, and there is considerable poultry farming, but in insufficient quantities to supply the needs of the urban populations of Victoria and Kowloon. The cultivation is in the hands of the Chinese villagers. Sea fishing is an important industry, but here again local supplies have to be augmented by importation from outside.

2. Reports on the principal industries for the year 1933 are given below:—

Refined Sugar.—During the past year the difficulties of the Chinese merchant have been many. The high rate of import duty in China has rendered the burden of financing large purchases almost insuperable, while ready money has been tight. Nervousness as to price levels, a consistently falling market and fluctuation in the relative value of currencies from day to day have added to the merchant's problems. These and other economic factors have contributed to the continued downward trend of the volume of sugar imported into China. With the practical withdrawal of the anti-Japanese boycott, the importation of refined sugar from Japan was resumed and to re-establish their share of markets the Japanese refineries quoted prices below the economic value of the commodity.

Cement.—As in 1932, the demand for Cement was large throughout the year 1933, the business being to a very great extent in the hands of the Japanese owing to the extremely low prices at which cement manufactured in Japan was offered in this market.

Rope.—In spite of keen competition, sales of Hong Kong made rope were maintained.

Preserved Ginger.—Although the demand for Ginger is still adversely affected by world economic conditions, the value of exports from Hong Kong during 1933 was slightly in excess of the previous year's figure ($1,864,869 as compared with $1,757,742 in 1932). Of this amount $841,190 worth was taken by the United Kingdom. $305,114 by Australia, $286,092 by Holland and $168,241 by the United States of America.

Knitted Goods.—South China is normally the largest market for Hong Kong manufactured socks and singlets, but the considerably increased Chinese import tariff has seriously affected this trade. Shipments to the Straits Settlements and Federated Malay States, also to India, South America and British West Indies have been well maintained, but the aggregate output is far below former years. The total value of exports of singlets in 1933 was $3,631,244 and that of hosiery, $908,761.

Flashlight Torches and Batteries.—Exports of locally manufactured flashlight torches and batteries were well maintained and increased quantities have been sold to other parts of the Empire as a result of Imperial Preference. The torch cases are manufactured from imported brass sheets, also from scrap brass rolled locally into sheeting. Glass lenses are also manufactured from imported glass and some bulbs are also made locally. The value of exports in 1933 amounted to $1,015,969 (torches) and $1,140,928 (batteries).

Rubber Shoes.—As locally manufactured canvas shoes with rubber soles qualify for Imperial Preference, an impetus has been given to shipments to other parts of the British Empire, particularly to the United Kingdom, British Malaya and British West Indies. The rubber used in the manufacture of these shoes is imported from the Straits Settlements. Formerly, most of the canvas used originated from the United States of America, but now a large proportion of British canvas is used. The total value of exports in 1933 amounted to over $1,500,000.

Lard.—The manufacture of lard is an important local industry. Live pigs are imported from South China and Kwongchowan and slaughtered in Government abbatoirs, the preparation and packing of the manufactured lard also being supervised by Government officials. Exports from Hong Kong to the United Kingdom increased considerably, 21,839 piculs having been shipped in 1933. Considerable quantities are also exported to the Philippines and other markets.

Shipbuilding.—Four ocean-going vessels and eighteen smaller craft were built in local dockyards during 1933.

Chapter VII.

COMMERCE.

The full effect of the depression in world trade, which was first felt in 1929, was not reflected in the statistics of the import and export trade of Hong Kong until 1933, during which period the commerce of the Colony slumped to the lowest figure recorded since the Great War; at the close of the year there was no sign of any early improvement in the situation.

2. Several factors combined to this end, chief of which were a still further decrease in the purchasing power of China, aggravated by increased tariffs, a heavy carry-over of stocks from 1932, particularly of piece goods, failures of several business houses, which resulted in extreme reluctance on the part of importers to extend credit facilities, a slump in the building and allied trades, following a minor building boom in 1931 and 1932, a continuance of the Chinese boycott of Japanese goods, though of less severity, and the uncertainty of exchange.

3. The declared value of imports of merchandise in 1933 totalled $500.9 millions, as compared with $624.0 millions in 1932, a decrease of 19.7%; while exports were valued at $403.1 millions in 1933, as compared with $471.9 millions in 1932, a decrease of 14.6%.

4. The share of the import trade enjoyed by the United Kingdom fell from 12.3% in 1932 to 10.4% in 1933; U.S.A. from 7.4% to 6.2%; Germany from 4.1% to 3.8%; British Malaya from 1.5% to 1.2%; Netherlands East Indies from 9.9% to 7.8%; Australia from 1.9% to 1.6%; and Belgium from 2.0% to 1.7%; while the share of China increased from 27.2% to 31.0%; Japan from 3.4% to 5.0%; French Indo-China from 8.4% to 8.5%; Siam from 9.3% to 10.0%; and India from 2.8% to 3.7%.

5. Total imports of Treasure amounted to $38.1 millions in 1933, as compared with $85.3 millions in 1932, and exports to $134.1 millions, as compared with $140.0 millions. The import figures are adversely affected to a large degree by concealed imports of gold and of silver subsidiary coin, which evaded a free export embargo enforced in China. In 1932 total imports of gold amounted to $19.5 millions and exports to $63.7 millions; while in 1933, imports totalled only $6.0 millions and exports $88.9 millions.

6. Imports of Animals (live) totalled $11.4 millions as compared with $12.6 millions in 1932; Building Materials $9.4 millions as compared with $12.9 millions; Chemicals and Drugs $6.7 millions as compared with $6.6 millions; Chinese Medicines $17.9 millions as compared with $19.2 millions; Dyeing Materials $4.4 millions as compared with $6.0 millions; Foodstuffs $166.9 millions as compared with $211.8 millions; Fuels $14.0 millions as compared with $14.7 millions; Hardware $4.0 millions as compared with $5.2 millions; Liquors $3.8 millions as compared with $3.7 millions; Machinery $5.6 millions as compared with $6.1 millions; Manures $9.9 millions as compared with $11.1 millions; Metals $38.1 millions as compared with $38.5 millions; Minerals & Ores $1.9 millions as compared with $580,000; Nuts & Seeds $5.8 millions as compared with $7.0 millions; Oils & Fats $35.6 millions as compared with $52.2 millions; Paints $2.0 millions as compared with $2.5 millions; Paper & Paperware $9.4 millions as compared with $15.7 millions; Piece Goods $75.1 millions as compared with $107.3 millions; Railway Materials $352,000 as compared with $528,000; Tobacco $6.5 millions as compared with $9.5 millions; Treasure $38.1 millions as compared with $85.3 millions; Vehicles $4.2 millions as compared with $4.6 millions; Wearing Apparel $4.1 millions as compared with $4.4 millions; and Sundries $64.0 millions as compared with $71.5 millions.

7. Exports of Animals (live) totalled $314,000 as compared with $433,000 in 1932; Building Materials $4.8 millions as compared with $8.7 millions; Chemicals & Drugs $3.8 millions as compared with $4.1 millions; Chinese Medicines $12.2 millions as compared with $13.6 millions; Dyeing Materials $3.9 millions as compared with $5.0 millions; Foodstuffs $153.6 millions as compared with $185.2 millions; Fuels $2.1 millions as compared with $2.3 millions; Hardware $2.4 millions as compared with $2.8 millions; Liquors $933,000 as compared with $1.0 million; Machinery $2.0 millions as compared with $1.6 million; Manures $9.3 millions as compared with $11.0 millions; Metals $33.7 millions as compared with $30.2 millions; Minerals & Ores $1.5 million as compared with $871,000; Nuts & Seeds $3.8 millions as compared with $5.6 millions; Oils & Fats $30.4 millions as compared with $37.1 millions; Paints $1.7 million as compared with $2.1 millions; Paper and Paperware $8.0 millions as compared with $10.3 millions; Piece

Goods $55.5 millions as compared with $66.9 millions; Railway Materials $189,000 as compared with $437,000; Tobacco $5.2 millions as compared with $7.9 millions; Treasure $134.1 millions as compared with $140.0 millions; Vehicles $2.1 millions as compared with $1.5 million; Wearing Apparel $8.5 millions as compared with $12.8 millions; and Sundries $57.2 millions as compared with $60.2 millions.

8. The average rate of exchange for the year was 1s. 4¼d. as against 1s. 3¾d. in 1932.

Imports (in £'s & $'s millions).

	1924.	*1925.*	*1930.*	*1931.*	*1932.*	*1933.*
1st Quarter	£ 19.3	16.3	*	9.0	11.9	8.5
	$165.4	139.7	*	186.9	170.7	132.8
2nd Quarter	£ 17.1	14.5	9.2	8.7	10.2	8.5
	$144.0	128.9	131.3	180.1	164.7	126.1
3rd Quarter	£ 19.2	*	10.1	9.0	9.3	8.5
	$161.7	*	156.8	182.3	142.4	122.1
4th Quarter	£ 16.5	*	10.3	11.8	9.6	8.4
	$136.6	*	167.4	188.4	146.2	119.9
Total	£ 72.1	30.8	29.6	38.5	41.0	33.9
	$607.7	268.6	455.5	737.7	624.0	500.9

Exports (in £'s & $'s millions).

	1924.	*1925.*	*1930.*	*1931.*	*1932.*	*1933.*
1st Quarter	£ 18.3	15.2	*	6.8	8.8	6.8
	$156.8	130.3	*	140.1	127.0	105.3
2nd Quarter	£ 15.2	14.1	7.4	6.4	7.1	7.2
	$128.0	125.3	105.9	132.5	115.3	106.2
3rd Quarter	£ 14.6	*	7.3	6.5	7.2	6.6
	$122.9	*	113.7	130.6	110.0	95.5
4th Quarter	£ 15.5	*	8.5	9.2	7.9	6.8
	$128.3	*	137.2	138.7	119.6	96.1
Total	£ 63.6	29.3	23.2	28.9	31.0	27.4
	$536.0	255.6	356.8	541.9	471.9	403.1

*No statistics available from July 1925 to March 1930.

Note :—Average rate of exchange 1924 = 2s. 4½d.
1925 = 2s. 3½d.
1930 = 1s. 3½d.
1931 = 1s. 0¾d.
1932 = 1s. 3¾d.
1933 = 1s. 4¼d.

TREASURE MOVEMENTS.

	Imports.		*Exports.*	
	1932.	*1933.*	*1932.*	*1933.*
	$	**$**	**$**	**$**
Bank Notes	**673,264**	**6,578,574**	**1,797,085**	**5,525,607**
Copper cents	**6,370**	**39,513**	**45,903**	**43,079**
Gold Bars	**19,508,290**	**5,986,917**	**63,715,586**	**88,917,365**
Gold Coins	**80,000**	**—**	**5,787,931**	**2,777,545**
Gold Leaf	**83,333**	**24,864**	**277,028**	**244,689**
Silver Bars	**34,365,025**	**14,519,263**	**14,883,018**	**6,309,042**
H.K. Silver Dollars.	**2.564,512**	**2,314,968**	**40,000**	**300**
Chinese Silver Dollars	**3,256,166**	**2,846,228**	**11,709,712**	**5,250,287**
Other Silver Dollars ...	*****	**4,113**	**138,657**	**67,691**
Silver Sub. Coin.....	**24,735,443**	**5,798,812**	**41,618,911**	**24,996,979**
Total	**85,272,403**	**38,113,252**	**140,013,831**	**134,132,584**

IMPORTS AND EXPORTS 1932 AND 1933

(excluding treasure).

	IMPORTS.		EXPORTS.	
	1932	1933	1932	1933
	$	**$**	**$**	**$**
United Kingdom	**76,905,373**	**52,172,111**	**3,462,248**	**4,533,607**
British Dominions and Possessions	**56.752,665**	**46,139.119**	**42,607.973**	**36.613.724**
China	**169,993,076**	**155,186,671**	**279,818.847**	**227,005.202**
All other countries	**320,396,486**	**247,440,893**	**145,970,638**	**134,939,637**
Total British Empire	**133,658,038**	**98,311,230**	**46,070,221**	**41,147,331**
Total Foreign	**490,389,562**	**402,627,564**	**425,789,485**	**361,944,839**
Grand Total	**624,047,600**	**500,938,794**	**471,859,706**	**403,092,170**

*** Not fully recorded.**

WHOLESALE PRICE CHANGES.

As measured at the Statistical Office of the Imports and Exports Department, wholesale prices in Hong Kong during the year 1933, showed decreases of 15.4% as compared with 1932, 24.2% as compared with 1931, 3.1% as compared with 1924, and increases of 3.5% as compared with the base period of 1922, and 61.7% as compared with 1913.

There were decreases in each of the four groups of commodities in 1933, as compared with 1932: Foodstuffs declining by 10.4%, Textiles by 22.5%, Metals by 15.8%, and Miscellaneous Items by 12.8%.

The following table shows the course of available wholesale price changes since 1913:—

	1913.	*1922.*	*1924.*	*1931.*	*1932.*	*1933.*
Foodstuffs	73.6	100.0	106.1	144.3	126.5	113.4
Textiles	55.1	100.0	112.5	135.8	125.2	97.0
Metals	63.2	100.0	102.3	140.9	128.1	107.8
Miscellaneous	64.0	100.0	106.3	125.4	109.7	95.7
Average of all Articles	64.0	100.0	106.8	136.6	122.4	103.5

Chapter VIII.

WAGES AND THE COST OF LIVING.

A great proportion of the workers in Hong Kong are paid on a piece work basis and in some trades are engaged and paid on curiously complicated systems involving payment of a bonus or a share in the yearly profits.

2. Local trade was dull during the year. This may be attributed to the world depression and to the high tariffs imposed by the Chinese Government. Towards the end of the year, however, a marked improvement was shown in some industries, e.g. rubber shoes, dry batteries for electric torches, leather goods, mosquito sticks, etc., and a new tannery was opened. The close of the year showed a definite slackening off in the building boom which had continued unabated throughout the year 1932. A certain number of people, being unable to find employment in the Colony, have returned to their native districts in China, and the supply of tenement houses may now be said to exceed the demand. There has consequently been a general decline in the rents of tenement houses, flats, offices and shops occupied by Chinese. In the case of premises occupied by Europeans, the decline in rentals is hardly apparent yet. There has been no noticeable change in the average rates of wages for labour, but the prices of all Chinese foodstuffs, except fresh fish, and of fire-wood show a slight decline.

3. The European resident, unlike the local labourer, purchases many articles which have to be imported from countries with sterling or gold currencies. He is therefore affected by variations in the exchange value of these currencies as expressed in terms of the silver dollar. The collapse of the American dollar caused a considerable cheapening in the prices of articles imported from the U.S.A., but although the silver dollar showed a gradual improvement in its exchange value vis-à-vis sterling throughout the year, no noticeable effect was apparent in the local prices of articles imported from England. It is a commonplace that the adjustment of local prices always lags behind a rise in the sterling value of the silver dollar.

AVERAGE RATES OF WAGES FOR LABOUR.

Building Trade:—

Carpenters	$1.15	per day.
Bricklayers	1.10	,, ,,
Painters	1.10	,, ,,
Plasterers	1.10	,, ,,
Scaffolders	1.70	,, ,,
Labourers (male)	0.80	,, ,,
,, (female)	0.50	,, ,,

Working hours, nine per day. Time and a half paid for overtime. Free temporary quarters provided on the building site and communal messing at cheap rates.

Shipbuilding and Engineering:—

Electricians	$1.45	to	$1.80	per day.
Coppersmiths	1.20	to	1.80	,, ,,
Fitters	0.80	to	1.80	,, ,,
Sawmillers	1.00	to	1.40	,, ,,
Boilermakers	1.00	to	1.50	,, ,,
Sailmakers	1.00	to	1.50	,, ,,
Blacksmiths	0.80	to	1.20	,, ,,
Turners	1.00	to	1.40	,, ,,
Patternmakers	1.00	to	1.40	,, ,,
Labourers	0.50	to	0.80	,, ,,

Over-time—time and a half. Night work—double time.

Transport Workers:—

Tram drivers	$36 to $45 per month.
,, conductors	30 to 39 ,, ,,
Bus drivers	50 per month.
,, conductors	20 to 25 per month.

Working hours, nine per day. Free uniform. Bonus at end of year.

Railway Workers (Government):—

Engine drivers	$540 to $1,000 per annum.
Firemen	330 to 480 ,, ,,
Guards	600 to 1,000 ,, ,,
Signalmen	600 to 1,000 ,, ,,
Station Masters	1,100 to 1,800 ,, ,,
Booking Clerks	600 to 1,000 ,, ,,
Telephone operators	480 to 1,000 ,, ,,

Female Workers in Factories:—

Cigarette making	$0.40 to $0.80 per day.
Knitting factories	0.20 to 0.55 ,, ,,
Perfumery	0.20 to 0.50 ,, ,,
Confectionery	0.20 to 0.60 ,, ,,

Working hours from 7 a.m. to 5 p.m. One hour off at midday. Over-time from 6 p.m. to 9 p.m. at day rates.

Domestic Servants:—

Employed by Chinese	$7.00 to $20.00 per month.
Employed by Europeans	15.00 to 40.00 ,, ,,
Gardeners	15.00 to 30.00 ,, ,,

With free lodging, and with Chinese employers, generally free board.

Note:—The rates of pay of Government employees approximate closely to those of a similar category in private employ.

Average Retail Prices of Foodstuffs, etc.

	1932.	*1933.*
Rice (3rd. grade)	8.4 cents per catty	7.6 cents per catty
Fresh fish	31.4 ,, ,, ,,	31.8 ,, ,, ,,
Salt fish	34.6 ,, ,, ,,	27.8 ,, ,, ,,
Beef	48 ,, ,, ,,	44.4 ,, ,, ,,
Pork	55 ,, ,, ,,	51.4 ,, ,, ,,
Oil	24.2 ,, ,, ,,	21.4 ,, ,, ,,
Firewood	10 ,, for 8 catties	10 ,, for 9 catties

Chapter IX.

EDUCATION AND WELFARE INSTITUTIONS.

GOVERNMENT SCHOOLS.

These are either schools where the medium of instruction is English or mostly English or schools where the medium of instruction is Chinese. The former, seventeen in number, are known as "English" schools, the latter of which there are three as "Vernacular" schools.

2. Of the four English schools, classed as "secondary" schools in the Table below, two are Anglo-Chinese schools for boys and one for girls. These three schools have primary departments. The fourth school, the Central British School which is a mixed school, has no primary department. Of the eleven English schools, classed as "primary" schools in the Table below, three are mixed schools preparing for the Central British School. In this group are also four "District" schools, including one for Indian boys and four "Lower Grade" schools, three of which are in rural districts. In those English schools which are attended by Chinese the study of English and of Chinese is carried on side by side, the pari passu system requiring that promotion shall depend on proficiency in both languages.

3. Of the two Government Schools classed as "Vocational" one is the Junior Technical School which was opened in February, the other is the Technical Institute which is attended by persons desirous of receiving instruction for the most part germane to their day time occupations.

4. Of the three Government Vernacular schools one has a seven years' course and includes a Normal department. There is also a Normal school for women teachers and a Normal school on the mainland which aims at providing Vernacular teachers for rural schools.

GRANT-IN-AID AND SUBSIDIZED SCHOOLS.

5. There are thirteen Grant-in-Aid English Schools, and four Grant-in-Aid Vernacular Schools. Of the former, seven are schools for boys and six are for girls.

6. One English school for girls has a primary department only. The remaining schools classed in the table below as "secondary" schools have primary departments as well as the upper classes.

7. Munsang College, Kowloon City, received a gr
$6,000.

8. The Vernacular Grant-in-Aid Schools are schools f
and are classed in the Table as "secondary" schools.

9. The 303 subsidized schools are all Vernacular sc

UNAIDED SCHOOLS.

10. In 1932 there were 613 unaided Vernacular school
33,077 children and 124 unaided English schools with
children.

Table showing number of schools and scholars for the
1933.

CLASS OF INSTITUTIONS	GOVERNMENT SCHOOLS		GRANT-IN-AID AND SUBSIDIZED SCHOOLS		UNAIDED SCHOOLS
	No. of Institutions	On Roll	No. of Institutions	On Roll	No. of Institutions
ENGLISH :—					
Secondary, ...	4	2,340	13*	6,272	10
Primary..	11	1,736	1	212	116
Vocational, ...	2	949	...	...	...
Total,.............	17	5,025	14	6,484	126
VERNACULAR :—					
Secondary, ...	1	253	4	1,028	...
Primary..	...		303	[illegible]	[illegible]
Vocational, ...	2	214	1	177	...
Total...............	3	467	308	21,336	613

Total No. of Institutions 1,079

Total On Roll 72,917

*This includes Ying Wa College whose primary department re
a Grant-in-Aid.

THE UNIVERSITY.

11. The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

12. The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall. There are also three recognized hostels for men, St. John's Hall, Morrison Hall and Ricci Hall. No university hostel at present exists for women students.

13. The late Sir Hormusjee Mody bore the entire expense of the erection of the main building. Additions have been made through the liberality of benefactors of varied nationality and domicile. The latest additions to the buildings are a School of Chinese Studies, the cost of which was borne by Mr. Tang Chi Ngong a local Chinese merchant and banker, and a Chinese Library named after the late Mr. Fung Ping Shan who provided a sum of $100,000 for the building and $50,000.00 as an endowment fund for its maintenance.

14. The income of the University for 1933 amounted to about $966,055.92 of which about $432,000 was derived from endowments and $350,000 from Government. Messrs. John Swire & Sons Ltd. gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockefeller Institute has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000. The annual expenditure in 1933 amounted to about $971,922.71.

15. The University includes the three faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognized as equivalent thereto.

16. The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D. and M.S. are awarded on examinations but are subject to the proviso that every candidate for the degrees shall produce evidence of special post-graduate experience in the subject which he presents. The degrees above mentioned are recognized by the General Medical Council for registration in Great Britain.

17. The Faculty of Engineering provides a four years course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

18. The Faculty of Arts includes departments of pure arts and science, social science, commerce, a department of Chinese studies and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A.

The degree for post-graduate work is that of M.A.

19. With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

20. The degree of LL.D. is granted *honoris causa*.

CHARITABLE INSTITUTIONS.

21. The following are the best known Charitable Institutions.

French Convent Orphanage.

Italian Convent Orphanage.

Maryknoll Convent, Kowloon.

St. Louis Industrial School.

Po Leung Kuk—Chinese.

Victoria Home and Orphanage.

Society of Precious Blood Hospital.

Home for Aged Poor, Kowloon.

La Calvaire Home for Aged Poor, Happy Valley.

Eyre Refuge.

Salvation Army Home.

Industrial Home for the Blind, Pokfulam.

RECREATION AND ART.

22. Most of the schools contrive to hold Annual Sports either on their own grounds or on grounds generously lent by local Cricket and Football Clubs. Some schools are granted free use of Government Bathing Beaches for four afternoons a week during the Bathing Season. Lawn Tennis, Football, Swimming, Volley Ball and Basket Ball continue to increase in popularity. Cricket is played at a few schools. Physical training is given by qualified instructors. Art is taught in the Government British Schools by Trained Art Mistresses.

Chapter X.

COMMUNICATION AND TRANSPORT.

The external communications of Hong Kong are excellent both by sea and by telegraph, cable and radio. As regards the former, the Peninsular and Oriental Steam Navigation Co., the Nippon Yusen Kaisha, the Blue Funnel Line, the Messageries Maritimes, and several other British and foreign companies maintain regular passenger and freight services between Hong Kong and Europe. The trans-Pacific communications are well served by the Canadian Pacific Steamships Ltd., the Dollar Line, the Nippon Yusen Kaisha, and other steamship lines. To Australia three steamship companies, the Eastern and Australian, Nippon Yusen Kaisha, and Australian and Oriental maintain regular passenger and freight services. In addition there are direct sailings to Africa, South America, and to New York. There is frequent and regular communication between Hong Kong and other Far Eastern ports in India, Java, Straits Settlements, Formosa, Indo-China, Japan and the China coast. Local steamship communication is by river steamer from Hong Kong to Canton and the West River ports with several sailings daily. In addition there is a vast traffic between Hong Kong and the adjacent provinces of China by junk and sampan.

2. The total shipping entering and clearing Ports in the Colony during the year 1933 amounted to 108,622 vessels of 43,043,381 tons which, compared with the figures for 1932 shows an increase of 4,507 vessels and a decrease of 781,525 tons. Of the above 51,492 vessels of 40,862,583 tons were engaged in Foreign Trade as compared with 52,359 vessels of 41,794,005 tons in 1932. There was a decrease in British Ocean-going shipping of 199 vessels and a decrease of 187,458 tons. Foreign Ocean-going vessels shew an increase of 166 vessels and an increase of 287,262 tons. British River Steamers showed a decrease of 260 vessels and a decrease of 677,298 tons. Foreign River Steamers showed a decrease of 782 vessels and a decrease of 305,409 tons. In steamships not exceeding 60 tons employed in Foreign Trade there was an increase of 678 vessels with an increase in tonnage of 5,879 tons. Junks in Foreign trade showed a decrease of 470 vessels and a decrease of 54,398 tons. In Local Trade (i.e. between places within the waters of the Colony) there was a decrease in steam launches of 366 vessels with an increase in tonnage of 4,109 tons. Junks in Local Trade show a decrease of 5,740 vessels and a decrease of 145,788 tons.

3. The Eastern Extension Australasia and China Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provides good connections with Europe *via* India, with Australasia, and with the other British Colonies and Possessions.

By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; the system of the Great Northern Telegraph Company gives a good service to Europe *via* Asiatic Russia.

4. The Government operates a commercial radio service with direct communication with Chinese stations, Siam, Indo-China, Formosa and the Dutch East Indies. Indirect communication between Hong Kong and America is maintained *via* Manila and between Hong Kong and Europe *via* Manila or Dutch East Indies.

5. The revenue collected by the Radio Office during the year from radio telegrams amounted to $643,217.94, a decrease of $36,814.64 on the amount collected in 1932. Advices of vessels signalled at the Lighthouses yielded $1,473.60. The total Revenue from the telegraph service amounted to $644,691.54. Ship Station Licences yielded $1,801.00, Amateur Transmission Station Licences $304.75, Broadcast Receiving Licences $29,048.00, Dealers' Licences $2,355.00 and Examination Fee for Operators' Certificates of Proficiency $71.00.

6. The number of paid radio-telegrams forwarded during the year was 191,586 consisting of 1,518,215 words against 194,782 consisting of 1,607,233 words in 1932 and 207,339 were received, consisting of 1,757,629 words against 179,382 consisting of 1,653,046 words.

7. In addition to the paid traffic figures given above the wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 340 messages or 204,868 words from Rugby, the collection and distribution of meteorological traffic, 5,676 messages 218,153 words having been forwarded, and 16,907 messages 324,153 words having been received, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc.

8. A telephone service between Hong Kong and Canton, a distance of 110 miles is in operation.

9. *Mails.*—The number of mail receptacles of Hong Kong origin despatched during the year was 46,650 as compared with 47,615 in 1932—a decrease of 965, the number received was 49,449 as compared with 51,324—a decrease of 1,875.

10. Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 222,489 as against 183,822 in 1932 an increase of 38,667.

11. *Registered Articles and Parcels.*—The number of registered articles handled amounted to 691,046 as compared with 748,676 in 1932—a decrease of 57,630.

12. The figures for insured letters were 20,232 and 18,595 respectively—an increase of 1,637.

13. Parcels, ordinary and insured, which were dealt with reached a total of 143,064 as against 148,189 in 1932 a decrease of 5,125.

14. In 1933 the earnings of the Railway continued to improve steadily and another very successful year resulted. There were no suspension of traffic, and no interruption from storms or typhoons.

15. The track both on the British and the Chinese Sections was well maintained and enabled the accelerated timetable introduced in October 1932 to be continued, while certain alterations were made to the hours of departure and in the number of express trains to suit the convenience of the travelling public. These improvements, together with the fact that Southern Kwong Tung is being rapidly opened up by roads, many of which act as feeders to the Railway, helped to make it a very popular means of conveyance.

16. The three express locomotives obtained in 1930 on behalf of the Chinese Section are still in the possession of the British Section, but the Chinese Section made twelve monthly cash instalments of $10,000 each in respect of them during the year. Haulage charges continued to be paid by the Chinese Section.

17. The total steam train mileage run amounted to 354,294½. This includes trains run over the Chinese Section to and from Canton. The Motor Coach mileage was 13,378 miles. 2,475,514 passengers were carried during the year, as against 2,182,634 in 1932.

18. The General Gross Revenue showed again a marked increase and reached the satisfactory figure of $1,630,610.83, as against $1,295,789.20 for the previous year. Net revenue amounted to $711,052.42, as against $333,412.15 for 1932.

19. There are 311 miles of roads in the Colony, 161 miles on the Island of Hong Kong and 150 miles in Kowloon and the New Territories. Of the total mileage 227 miles are constructed

in water bound macadam dressed with asphalt, 12 miles in sheet asphalt on a cement concrete foundation, 13 miles of tar macadam, 17 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 39 miles of gravel.

20. The public travelling over the Colony's roads increases yearly with a corresponding growth in the number of motor buses, of which there are 59 operating on the island of Hong Kong, and 115 on the mainland. These are gradually replacing the rickshas, the number of which decreases year by year.

21. The Hong Kong Tramway Company has a fleet of nearly 90 double deck tram cars running along the sea front of Victoria from Kennedy Town to Shaukiwan.

22. Communication between the island and the mainland is maintained by a number of ferry services; the most important of which are the Star Ferry between Kowloon Point and a pier near the General Post Office, and the combined vehicular and passenger service of the Hong Kong and Yaumati Ferry Company between Jordan Road, Kowloon and Jubilee Street, Victoria.

Chapter XI.

BANKING, CURRENCY, WEIGHTS & MEASURES.

The Colony is well served by banking institutions. There are sixteen principal banks doing business in the Colony which are members of the Clearing House, and in addition several Chinese banks and numerous native Hongs doing some portion of banking business. There are no banks which devote themselves specially to agricultural and co-operative banking. The Hong Kong and Shanghai Banking Corporation also conducts the business of the Hong Kong Savings Bank on usual savings bank principles.

2. The Currency of the Colony is based on silver and is governed by the Order in Council of 2nd February, 1895. The dollar, which is normally in circulation and which is legal tender to any amount, is the British Dollar of 900 millesimal fineness and weight 26.957 grammes (416.00 grains). Silver subsidiary coins of the value of 5, 10, 20 and 50 cents and one cent pieces in bronze are also legal tender up to the value of two dollars for silver and one dollar for bronze. Bank notes issued by The Hong Kong & Shanghai Bank, The Chartered Bank and The Mercantile Bank are also in circulation, the estimated amount issued at the end of 1933 being **$157,583,718**.

These Bank notes are redeemable in legal tender dollars at the Banks' Offices in Hong Kong, and include fiduciary issues amounting to $12,000,000, the balance being covered in various proportions for the respective banks by silver coin of approved denominations, by bullion, and by securities.

3. The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = 0.0133 ounces avoirdupois.

1 tsin (mace) = 0.133 ounces avoirdupois.

1 leung (tael) = 1.33 ounces avoirdupois.

1 kan (catty) = 1.33 pounds avoirdupois.

1 tam (picul) = 133.33 pounds avoirdupois

and

1 check (foot) = 14⅝ English inches divided into 10 tsün (inches) and each tsün into 10 fan or tenths.

Chapter XII.

PUBLIC WORKS.

During the year under review the operations of the Public Works Department were carried out under a Head Office Staff by eleven sub-departments. The European Staff comprised 160 officers and the Asiatic Staff 612.

2. *Buildings.*—The following works were completed during the year:—Crematorium at Kai Lung Wan Cemetery; extension of the offices of the Public Works Department; additions to Kowloon Hospital comprising a new Ward Block and a House for a second European Medical Officer; Venereal Diseases Clinic at Kowloon; new Cattle Lairage at Ma Tau Kok Cattle Depot; Wireless Broadcasting Station at Kowloon; the Lady Ho Tung Infant Welfare Centre at Fanling; extension to the Store at the Central Police Station; provision of tanks for the storage of fish at the Central Market; Quarters for Gardeners at the Government Pavilions; Latrine and Bath House at Hennessy Road; Drill Hall at Kowloon Junior School; alterations at Kowloon Fire Station to provide quarters for Sub-Officers; Quarters and Store for the Botanical and Forestry Department; additions to Tai O Police Station; alteration and additions at the Remand Home for Juvenile Offenders; additions at Tsun Wan Police Station; adaptation of the Sailors' Home and Seamen's Institute for Offices; two Garages at Tai Po and the erection of a Fountain, Shelter and Lavatory in the Botanical Gardens.

In addition the following works were under construction during the year:—Site formation for the New Government Civil Hospital at Pokfulam; new Residence for the Director, Royal Observatory; Government Bungalow at Fanling; Block of Quarters for Nurses at Kowloon Hospital; site preparation for the New Gaol at Stanley; Sextons Quarters at Chai Wan Cemetery; additional Wing containing Laboratory and Class Rooms at the Junior Technical School; Dormitory Block at Lai Chi Kok Goal.

In addition to general maintenance, numerous minor alterations and improvements to Government Buildings were also executed during the year.

3. *Communications.*—The following works were completed:—The Concourse Area at Jubilee Street Vehicular Ferry Pier was surfaced; completed portions of Jaffe & Thomson Roads were kerbed, channelled and surfaced; a new area for burial purposes was formed in the Colonial Cemetery; a further section of Connaught Road West from Eastern Street to Ping On Wharf was strengthened, sandcarpeting and surfacing on a 6" cement concrete foundation being laid; Kennedy Road—a further section of this road adjoining the Magazine was widened to 30 feet; a retaining wall adjoining I.L. 59 section A, Caine Road, was taken down and rebuilt to the new road alignment; dangerous bends on Tai Hang Road were improved; Stubbs Road was regraded between the Peak Hotel and Jardine's Corner; a portion of Prince Edward Road between the Railway Bridge and Leven Road surfaced with 7" reinforced concrete; Chatham Road between Middle Road and Austin Road laid with bottoming and surfacing; the Concourse Area at Jordan Road Vehicular Ferry Pier laid with bottoming and surfacing; Taipo Road diverted at its junction with Castle Peak Road and laid with bottoming and surfacing; Children's Playground complete with shelter, lavatories and equipment erected at Kowloon Tong; area for Children's Playground formed at Tong Mi Road; area for Children's Playground formed at Shantung Street; the bend on Castle Peak Road opposite the Warders' Quarters widened and improved; the bend at top of Laichikok Hill on Castle Peak Road widened and improved. The strengthening and improvement of road surfaces in the New Territories was continued between 20th and 21st milestones—Castle Peak; between 30th and 35th milestones—Mei Po—Fanling; between Kwanti Race Course and 2nd milestone, Sha Tau Kok Road and at Tsun Wan Hill; also between Tai Wai Level Crossing (8½ mile-stone) and 12½ mile-stone, Taipo Road. The hilly portions of the Lin Ma Hang-Sha Tau Kok Patrol Path was surfaced.

The following works were under construction:—The 1st section of new 75' road between Causeway Bay and Ming Yuen Gardens, a new road to Bathing Beaches (S.E. of Repulse Bay); widening of Robinson Road between Peak Road and Glenealy (including bridge); Wong Nei Cheong Old Road Improvement, (*i.e.* Blue Pool Road); Path 10-ft. wide from Shek O Gap to Cape D'Aguilar Wireless Station; New Road from Island Road to Stanley; Upper Peak Tram Station Parking Ground; Road to Wong Ma Kok to serve Prison Site.

Tarpainting was carried out on the following roads:—10th-16th Mile-stone, Castle Peak Road; 26th-27th mile-stone, Au Tau; whilst the bend on the Taipo Road near the 5¼ mile-stone was effected. The main street at Un Long was surfaced, kerbed and channelled in front of new houses and an invert was laid to the existing nullah.

4. *Drainage.*—New sewers and storm water drains were constructed in Hong Kong to a length of 16,058 feet, and parapet walling to open nullahs to a length of 378 feet. An additional septic tank was constructed at Repulse Bay. Anti-malarial campaign work was continued at Mount Parker, Stanley, Sookunpoo and Lyeemun and a commencement made at Kowloon Tong. Streams were trained to a total length of 27,812 feet and 1,862 feet as walled nullahs. In Kowloon new sewers and storm water drains were constructed to a length of 13,081 feet and an open nullah was decked over for a length of 333 feet. In New Kowloon the length of new sewers and storm water drains constructed was 14,761 feet. In Kowloon and New Kowloon nullah walling was built to a length of 2,301 feet and parapet walling constructed to a length of 2,742 feet. Various minor works were carried out in the New Territories.

5. *Water Works.*—In Hong Kong the following lengths of new mains were laid to improve the distribution system:—1,042 feet of 10", 1,416 feet of 8", 1,529 feet of 6" and 1,573 feet of smaller sizes. 5,050 feet of subsidiary mains from ¾"—3" were laid in back lanes. 550 feet of 24" steel main were diverted round the new Hong Kong and Shanghai Bank Site.

A covered service reservoir of 208,000 gallons capacity was constructed on Jardine's Lookout at an elevation of 778 feet A.O.D. to supply high level development.

In Kowloon and New Kowloon the following lengths of new mains were laid to improve distribution:—1,290 feet of 18", 10,541 feet of 12", 1,005 feet of 8", 4,182 feet of 6" and 855 feet of smaller sizes. 13,636 feet of subsidiary mains were laid in back lanes.

The new five million gallons service reservoir at Yaumati Hill was nearly completed.

At Taipo 1,916 feet of 6" main were laid and 420 feet of smaller sizes.

A new water supply was provided for Tsun Wan consisting of an intake, strainer and storage tank of 5,000 gallons, 10,468 feet of 4″ piping and 970 feet of 2″ piping.

The Fanling supply was improved by laying 1,095 feet of 5″ piping and 737 feet of 4″ piping. A steel storage tank of 30,000 gallons capacity was also erected.

A water supply for Yuen Long district was investigated.

The Public Gardens Service Reservoir was completed thus concluding the first section of the Shing Mun Valley Water Scheme.

The 2nd. section of the Aberdeen East Catchwater and the Outfall Nullah at Aberdeen were completed. The 2nd. section of the Aberdeen West Catchwater was nearly completed. The removal of silt from the Lower Reservoir was continued and the Access Road to the Lower Dam was surfaced.

The 1st. section of the Pottinger Peak Catchwater was completed, whilst the Tytam Tuk East Catchwater and the first section of the Dragon's Back Catchwater were nearly completed.

6. *Reclamations.*—At Tsat Tze Mui, a further four acres were reclaimed making a total of approximately fourteen acres. A reclamation of about ten acres was commenced at Kennedy Town. Work on the reclamation at Cheung Sha Wan was stopped. An area of about eight acres has been filled in at Ma Tau Kok.

7. *Electrical Works.*—The existing installation were maintained in good order. Telephones, lights, fans, bells, lifts, ferry pier hoists, traffic lights, etc.

Underground cables were laid between G.P.O.—Happy Valley and G.P.O.—Peak W/T. Station.

Improved traffic control lights were installed at junction of Queen's Road—Pokfulam Road; Bonham Road—Pokfulam Road and Connaught Road Central.

Twenty police recall signals were installed in various police stations.

Kowloon-Canton Railway, Taipo, Taipo-Market and Fanling Station were wired for electric lights. Also the Railway workshop at Hung Hom, and an underground cable for power and light installed.

Thirty telephones were installed in various places. Repairs to the submarine cable to Stonecutters were carried out.

Certain improvements and re-arrangements were carried out at Tsat Tsz Mui Quarry.

Certain electrical works, thirteen telephones etc. were installed for Shing Mun Valley Scheme.

Fifty-six buildings in various places were either rewired or had electric joints installed for the first time.

The usual maintenance to Wireless Stations, Telephones etc. was carried out. Two self supporting wireless masts were erected in the Hung Hom Reclamation and the Broadcasting Set was transferred to new building on the same Reclamation.

8. *Buildings Ordinance Office.*—The building industry continued to evince considerable activity throughout 1933 but failed to reach the level of the previous year and noticeably receded from the high peak reached in 1931.

The total number of plans approved for new works was only slightly less than for the previous year. The number of new buildings covered by such plans shows an appreciable decline; this is particularly noticeable in Chinese tenement property. The falling off in the number of European houses erected does not truly reflect the amount of new accommodation provided The type of development tended towards the provision of flats three, four and in some cases five storeys high. These flats afford the accommodation hitherto provided by the erection of the detached and semi-detached houses which had figured largely in the Returns of the preceding three years.

Buildings of a non-domestic or commercial character shew an increase over the Returns of the preceding year.

Amongst the more important buildings completed the following are noted:—Emporium and Restaurant in Queen's Road Central, Bank building and office in Des Voeux Road Central, School and Quarters for the Salesian Society on Island Road, Chapel at Shaukiwan, Theatre in On Yan Street, Cinema in Boundary Street, two knitting factories, one on Tai Po Road and one at Ma Tau Wai, a leather factory in Pak Tai Street, a factory in Kai Yee Street and Printing Works at Ma Tau Kok, School in Waterloo Road, Building for Aged Women and Sisters' Quarters at Ngau Chi Wan, and the Hong Kong Brewery erected at Shan Tseng Bay.

European type flats of moderate rental have been a feature of the past year's construction although Chinese tenement property is still the largest factor.

The number of European houses completed during the year is 259. The number of Chinese houses is 832.

On the Praya East Reclamation, 147 Chinese houses were erected, making up to date a total of 973. The new Sailors' Home and Seamen's Institute and a large Chinese hotel were both completed during the year under review. The Royal Naval Canteen is still in course of construction.

The number of water flushed sanitary appliances approved during the year amounted to 3,622.

9. Fifteen fires occurred causing structural damage which necessitated action by the Public Works Department. Loss of life was occasioned in two instances where the buildings were of the old type of construction with wooden floors and staircases. It is pertinent to note that in no case where fires have occurred in the modern tenement houses constructed of reinforced concrete floors, roofs, and staircases, have casualties occured nor has the fire even attained serious proportions nor extended beyond the floor upon which it originated.

10. Reclamations were in progress on the following lots in Hong Kong. I.L. 2918, I.L. 3538, I.L. 3539, I.L. 3540. A total area of about 207,000 square feet is embraced in the above works.

Reclamation works at Kowloon include K.M.L. 52 and K.M.L. 102. The total area involved being about 200,000 square feet.

Chapter XIII.

JUSTICE AND POLICE.

I. THE COURTS OF HONG KONG.

The Supreme Court of Hong Kong consists of a Chief Justice and one or more other judges. At present there is one other judge.

2. The jurisdiction of the Court is regulated by a number of Ordinances but generally it may be said that the Court exercises a Summary Jurisdiction in all actions where the claim does not exceed $1,000 and an Original Jurisdiction in all actions where the claim exceeds that amount.

3. In addition to the above the Court exercises Admiralty, Probate, Divorce, Bankruptcy, Lunacy, Criminal and Appellate Jurisdiction.

4. The following is a brief summary of litigation and matters dealt with during the year 1933:—

2,787 actions were instituted in the Summary Jurisdiction and the amounts for which judgment was given totalled $501,580.51.

523 actions were instituted in the Original Jurisdiction and the amounts for which judgment was given totalled $2,313,529.39.

4 actions were instituted in the Admiralty Jurisdiction.

470 grants were made in the Probate Jurisdiction.

146 persons were indicted in the Criminal Jurisdiction of whom 94 were convicted.

11 appeals were lodged in the Appellate Jurisdiction 10 of which were disposed of during the year.

5. The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over all land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

6. The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, one for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates.

7. The following figures show the amount of work done by the lower courts in 1933:—

Civil:—

District Officer North,		
Land Court	67	cases.
Small Debts Court	239	,,
District Officer South,		
Land Court	176	cases.
Small Debts Court	59	,,

Criminal:—

Hong Kong Magistracy, two courts	26,159	cases.
Kowloon Magistracy, one court	19,925	,,
District Officer, North, one court	1,281	,,
District Officer, South, one court	276	,,

II. The Police.

8. The Police Force of the Colony is under the control of the Inspector General of Police who is assisted by one Deputy Inspector General and twelve Superintendents. The force

consists of four Contingents, European, Indian, and two Chinese, viz. Cantonese and Weihaiwei. The strength of the different Contingents is as follows:—

Europeans	249
Indians	726
Chinese (Cantonese)	632
Chinese (Weihaiwei)	283

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of thirty-three Russians and twenty-eight Indian Guards, together with four European Sergeants, eight Indian Sergeants and ninety-five Weihaiwei Chinese Constables, who are included in the Police strength. The Anti-Piracy Guards are employed and paid for by Shipping Companies for service in the China Seas.

9. Further, the department engages and supervises 1,129 Indian and Chinese watchmen who are paid by private individuals for protection of private property.

10. The waters of the Colony are policed by a fleet of ten steam launches and three motor boats which employ a staff of two hundred and forty-four Chinese under European officers.

11. There were 5,630 serious cases of crime in 1933 as against 5,707 in 1932, a decrease of 77 or 1.3%. There was a decrease of 75 cases in burglaries, 29 in house breaking, 111 in larcenies from dwellings, 28 in larcenies, 16 in murders and 4 in robberies. There were 25,659 minor cases during 1933 as against 15,364 in 1932, an increase of 10,295 or 67%. The main increases were in Hawking offences, offences against the Opium Ordinance, Vehicles and Traffic Regulation Ordinance and Women and Girls Protection Ordinance.

III. PRISONS.

12. There are three prisons in the Colony. Victoria Gaol in Hong Kong is the main prison for males. This prison is built on the separate system, but segregation is difficult owing to lack of space and accommodation. It contains cell accommodation for 644 only and prisoners are often kept in association through unavoidable overcrowding. There is a branch male prison at Lai Chi Kok near Kowloon, with accomodation for 480 prisoners. In this establishment all the prisoners sleep in association wards and only selected prioners are sent there as the prison was not originally built as such. It was converted from a Quarantine Station in 1920, for temporary use pending the building of a new prison. The third prison is the prison for females situated near the male prison at Lai Chi Kok. A new general prison has been approved and site preparations commenced.

13. The total number of persons committed to prison in the year 1933 was 11,439 as compared with 7,793 in 1932. The daily average number of prisoners in the prisons in 1933 was 1,472. The highest previous average was 1,189 in 1927. Over 90% of prisoners admitted are persons born outside the Colony.

14. The health of the prisoners generally was well maintained in the prisons.

15. The discipline in all three prisons was good.

16. Prisoners are employed at printing, bookbinding, tinsmithing, matmaking, tailoring, carpentering, weaving, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of the Government printing and bookbinding is done in Victoria Gaol.

17. A small separate ward is reserved in Victoria Gaol for Juveniles who are kept as far as possible apart from other prisoners. The daily average number of Juveniles in 1933 was 4.1. A school-master attends daily to instruct them. In 1929 the daily average was high and a separate hall was set aside at Lai Chi Kok for Juveniles, but the number is now so small that it has been found more expedient to deal with them in Victoria Gaol.

18. Police Magistrates may, under the provisions of the Magistrates Ordinance No. 41 of 1932, give time for the payment of fines.

19. Lady visitors attend the Female Prison twice weekly to instruct the prisoners in hand-work and to impart elementary education.

20. Visiting Justices inspect and report on the prisons every fortnight.

Chapter XIV.

LEGISLATION.

Thirty Ordinances were passed during the year 1933. These and also the Regulations, Rules, By-laws and other subsidiary legislative enactments are published in a separate volume by the Government Printers. The thirty Ordinances comprised two appropriation, one replacement, one incorporation, four consolidation, twenty amendment, and two Ordinances which were new to the Colony.

2. The Appropriation Ordinance (No. 19) applied a sum not exceeding $27,029,235 to the public service for the year 1934, and Ordinance No. 11 appropriated a supplementary sum of $517,015.30 to defray the charges of the year 1932.

3. The replacement Ordinance was the Public Works Loan Redemption Ordinance (No. 15), which provided for the redemption of the bonds issued under the authority of the Public Works Loan Ordinance, 1927, repealed.

4. Ordinance No. 18 incorporated the Procurator in Hong Kong of the Pontifical Foreign Missions Institute.

5. The following Ordinances, viz: Arms and Ammunition (No. 2), Full Court (No. 8), Volunteer (No. 10) and Miscellaneous Licences (No. 25) consolidated and to some extent amended the existing law on these subjects.

6. The Ordinances new to the Colony were the Mercantile Marine Assistance Fund Ordinance (No. 24) and the Naval Volunteer Ordinance (No. 30). Of these, Ordinance No. 24 establishes a fund for services similar to those performed by like funds in the Straits Settlements and India, and in England by the Mercantile Marine Masters and Officers Relief Fund. The local fund is administered by a Committee financed by the revenue of the Colony. Ordinance No. 30 is based on a model prepared in England for enactment by the legislatures of this and other Colonies.

7. The twenty amending Ordinances covered a wide range of subjects, viz: Code of Civil Procedure (Nos. 1 and 13), Printers and Publishers (No. 3), Supreme Court (Nos. 4 and 12), Criminal Procedure (No. 5), Summary Offences (Nos. 6 and 26), New Territories Regulation (No. 7), Divorce (No. 9), Probates (No. 14), Opium (No. 16), Betting Duty (No. 17), Dangerous Goods (No. 20), Industrial and Reformatory Schools (No. 21), Juvenile Offenders (No. 22), Bankruptcy and Magistrates (No. 23), Telephone (No. 27), Merchant Shipping (No. 28) and Companies (No. 29).

8. Three Ordinances (No. 9, Divorce Amendment, on 1st November, 1933, and Nos. 21, Industrial and Reformatory Schools, and 22, Juvenile Offenders, on 20th November, 1933), were brought into operation by Proclamation on the same dates as the principal Ordinances which they amend, and Nos. 27 (Telephone Amendment) and 29 (Companies Amendment) are expressed to commence on 1st January, 1934.

9. Similarly, the subsidiary legislation covered a wide range of subjects, including Public Places Regulation, Vagrancy, Criminal Procedure, Merchant Shipping, Civil Procedure, Gunpowder and Fireworks, Public Health and Buildings, Advertisements, Vehicles and Traffic Regulation, Education, Boarding Houses, Ferries, Places of Public Entertainment Regulation, Post Office, Public Revenue Protection, Liquors, Tobacco, Factories and Workshops, Divorce, Police Pensions, Prisons, Companies, and Naval Volunteer Force.

Chapter XV.

PUBLIC FINANCE & TAXATION.

The following tables show the Revenue and Expenditure for the five years 1929 to 1933 inclusive.

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit.*
1929	$23,554,475	$21,983,257	$1,571,218	—
1930	27,818,473	28,119,646	—	$301,173
1931	33,146,724	31,160,774	1,985,950	—
1932	33,549,716	32,050,283	1,499,433	—
1933	32,099,278	31,122,715	976,563	—

2. The revenue for the year 1933 amounted to $32,099,278 being $1,903,297 less than estimated and $1,450,438 less than the revenue obtained in 1932.

3. Duties on imported liquor and tobacco were less than estimated as they are on a sterling basis and were reckoned on an exchange rate of $1=1/2 whereas the average rate throughout the year was over $1/4\frac{3}{16}$. Assessed Taxes show a decrease of $65,031.30 due to vacant tenements and large decreases were shown by the Opium Monopoly of $1,347,148 and in Stamp Duties of $392,293. A considerable increase amounting to $328,907 was shown under Water Excess and Meter Rents due to general building development and to the institution of universal meterage. Land Sales were less than estimated to the extent of $327,139.

4. The expenditure for the year 1933 amounted to $31,122,715 being $4,076,532 less than estimated and $927,568 less than the expenditure in 1932.

5. Ordinary expenditure amounted to $27,830,266, Public Works Extraordinary to $3,292,449. Large savings resulted under Personal Emoluments, compared with the amounts inserted in the Estimates, on account of the higher exchange prevailing throughout the year. Changes in personnel and vacancies in office also reduced the amount but most of this under-expenditure amounting to $1,489,791 was due to the rise in the sterling value of the dollar. Under Other Charges savings were also effected amounting to $877,763. Expenditure on Public Works Extraordinary fell short of the original estimate by $375,474 and $138,893 less than estimated was expended on recurrent maintenance and improvements.

6. *Debt.*—The total amount of sterling debt outstanding at the close of 1933 was £1,485,732.16.5, the sinking fund for its redemption amounting to £911,748. The 1927 Public Works Loan of $4,927,000 was converted on 1st August, 1933 to 4% under authority of Ordinance No. 15 of 1933; the sinking fund will be dealt with under section 10 (5) of that Ordinance.

7. The Assets and Liabilities of the Colony on the 31st December, 1933, are shown in the following statement:—

LIABILITIES.	$ c.	ASSETS.	$ c.
DEPOSITS :—		ADVANCES :—	
Contractors and Officers Deposits	487,200.00	On account of Future Loan	6,934,474.13
Suitors Fund	587,617.30	Purchase of three Locomotives for Chinese Section Kowloon Canton Railway...............	267,468.26
Miscellaneous Deposits..............	2,268,353.78	Miscellaneous	79,401.82
Insurance Companies	1,900,700.00	Building Loans	723,310.04
Suspense Account	967,147.31	Imprest Account.........	7,218.15
Exchange Adjustment	136,808.00	Subsidiary Coin	1,415,597.95
Trade Loan Reserve...	1,070,609.68	Crown Agents Remittances...............	19,959.40
Praya East Reclamation	112,303.45	Investments:—	
House Service Account	10,478.98	Surplus Funds	1,610,714.23
Government House & City Development Fund	1,227,666.28	Trade Loan Outstanding	574,500.50
Coal Account	2,126.52	Unallocated Stores, (P.W.D.)..............	486,713.30
Total Liabilities...	8,771,011.30	Unallocated Stores, (Railway)...............	187,916.81
Excess of Assets over Liabilities	13,823,625.33	Cash Balance :—	
		Crown Agents.........	40,792.68
		Treasurer......	3,574,679.79
		* Joint Colonial Fund.................	2,241,189.57
		Fixed Deposits:— General ... $2,080,000.00 Insurance Companies 1,900,700.00 Miscellaneous 450,000.00	4,430,700.00
Total......$	22,594,636.63	Total ... ...$	22,594,636.63

*Joint Colonial Fund £157,000.,0s.0d.

8. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of $6,434,969 being collected in 1933. This represents 20.05% of the total revenue or 20.67% of the revenue exclusive of land sales. The rates vary

from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues and Buoy Dues brought in the sum of $679,385.

9. Duties on intoxicating liquors realized $2,172,449, tobacco $2,921,456, postage stamps and message fees $1,883,655. A considerable sum is also derived from the opium monoply, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realized $972,861. The receipts of the Kowloon Canton Railway which was completed in 1910 amounted to $1,630,611, a considerable increase being shown under Passenger Service.

10. *Customs Tariff.*—There is an import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

11. The duties on imported liquor range from $0.60 per gallon on beer to $1.20 on Chinese liquor and to $10 on sparkling European wines and perfumed spirits. The duties are collected on a sterling basis, the conventional dollars in the tariff being converted at a rate which is varied from time to time according to the market rate of exchange between the local dollar and sterling. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

12. The duties on tobacco range from $0.63 per lb. on the lowest taxed unmanufactured tobacco to $2 per lb. on cigars. The duties are collected on a sterling basis in the same manner as the liquor duties.

13. A duty of 25 cents per gallon is payable on all light oils imported into the Colony.

14. *Excise and Stamp Duties.*—The same duty is imposed on liquors (mainly Chinese type) manufactured in the Colony as on imported liquors.

15. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly ad valorem. The following are examples of the duties charged:—Affidavits, Statutory Declaration, etc., $3; Bills of Exchange (inward) and Cheques, 10 cents; Bills of Lading, 15 cents when freight under

$5, 40 cents when freight $5 or over; Bond to secure the payment or repayment of money, 20 cents for every $100 or part thereof; Conveyance on sale, $1 for every $100 or part thereof; Mortgages, principal security, 20 cents for every $200 or part thereof; Life Insurance Policy, 25 cents for every $1,000 insured; Receipt, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

16. No Hut Tax or Poll Tax is imposed in the Colony.

W. T. SOUTHORN,
Colonial Secretary.

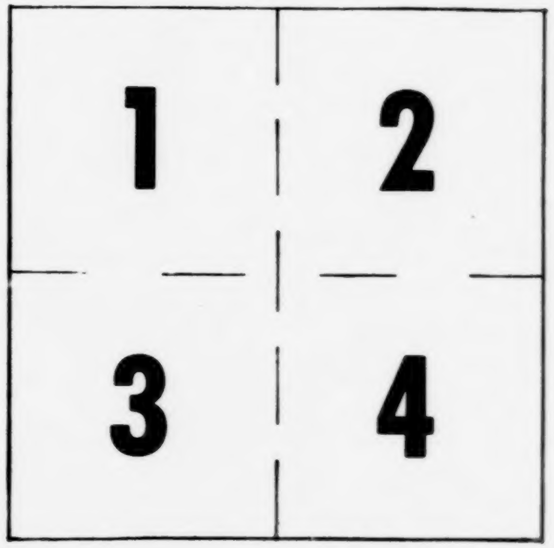
Appendix.

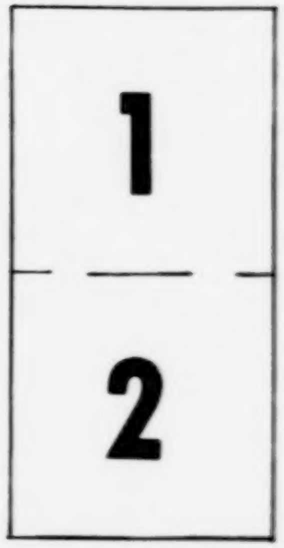
LIST OF PUBLICATIONS OF GENERAL INTEREST RELATING TO HONG KONG.

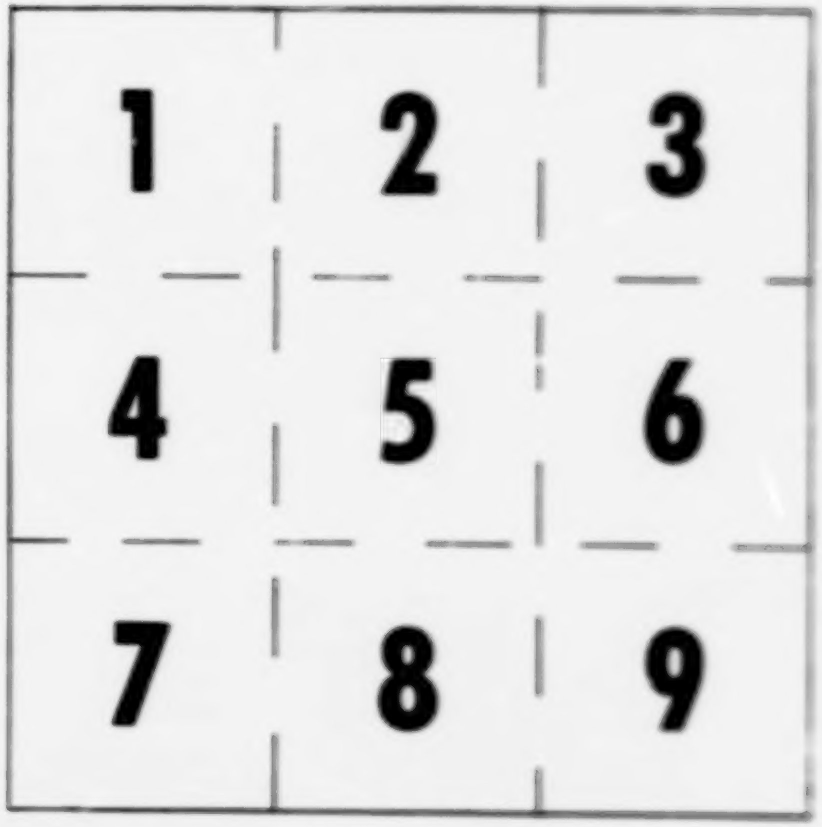
Title	Price	Agents for sale
	$	
Sessional Papers (Annual)	2.00	Colonial Secretariat and Government Printers.
Blue Book (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents for the Colonies, London.
Ordinances-Ball's Revised Edition (In 6 Volumes) 1844-1923.	90.00	Do.
Regulations of Hong Kong 1844-1925	30.00	Colonial Secretariat.
Ordinances and Regulations (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents.
Administration Reports (Annual)	3.00	Colonial Secretariat and Government Printers.
Estimates (Annual)	3.00	Do.
Government Gazettes (Weekly)	.50	Government Printers and Crown Agents.
Meteorological Bulletin (Monthly)	10.00 per annum	Government Printers.
Hong Kong Trade and Shipping Returns (Monthly)............	2.00	Government Printers and Crown Agents.
Do. (Annual)	2.00	Do.
Hansards (Annual)	5.00	South China Morning Post, Hong Kong.
Historical & Statistical Abstract of the Colony of Hong Kong 1841-1930.	4.00	Colonial Secretariat.
The Hong Kong Naturalist (Quarterly).	2.00	Hong Kong University.
Hong Kong: A Guide Book......	1.00	Kelly & Walsh, Ltd., Hong Kong.
Hong Kong: Around and About, by S.H. Peplow & M. Barker.	5.00	Do.
Echoes of Hong Kong & Beyond by L. Forster	2.50	Do.
History of Hong Kong by Eitel.	...	Out of Print.

Sections on Hong Kong will be found in the annual "China Year Book" published by the North China Daily News and Herald Ltd., Shanghai (London Agents Simpkin Marshall Ltd.) price $20.00, and the annual "Directory and Chronicle of China, Japan etc." published by the Hong Kong Daily Press at Hong Kong, Price $12.00 and obtainable at their London office at 53, Fleet St., for £2.

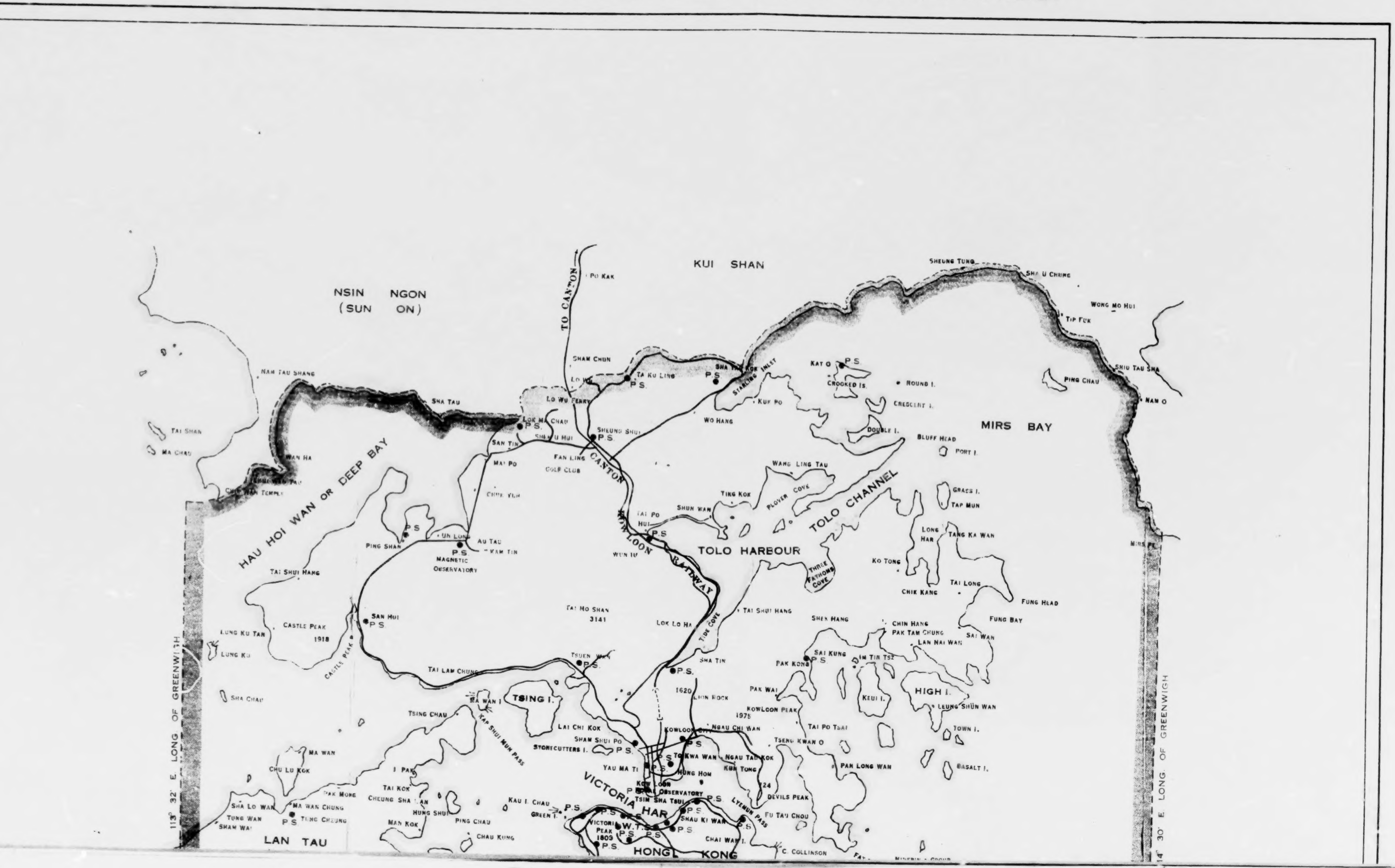
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







MAP OF HONG KONG AND NEW TERRITORIES.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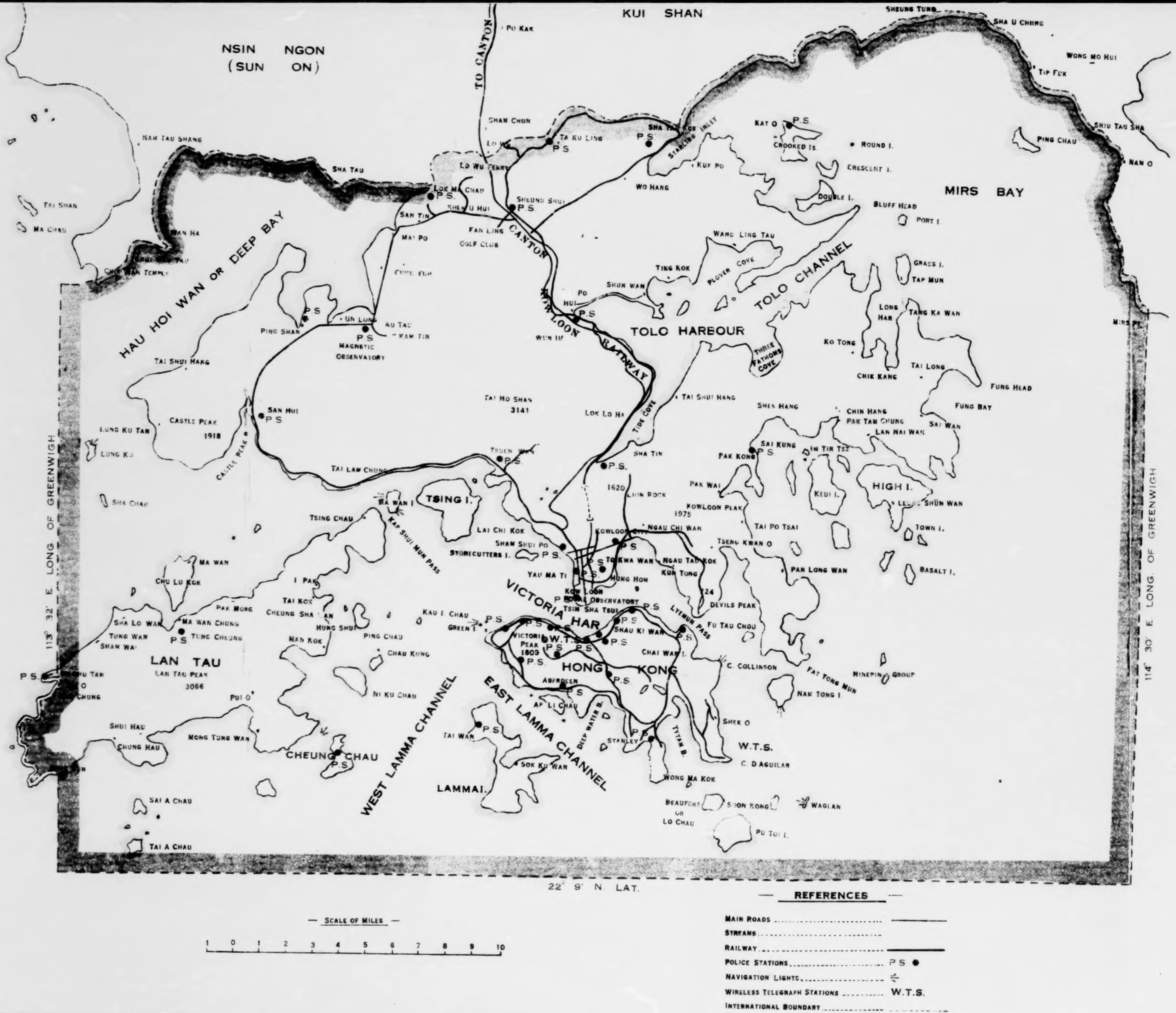KUI SHAN
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No. 1712

ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF

HONG KONG, 1934

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ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF HONG KONG FOR THE YEAR 1934.

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Chapter I.

GEOGRAPHY, INCLUDING CLIMATE AND HISTORY.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitute 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area $28\frac{3}{4}$ square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

2. The island of Hong Kong was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in June, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The total area of the Colony including the New Territories is about 390 square miles.

3. The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya, and elsewhere. It is also the natural distributing centre for imports into China from abroad.

4. The Colony is not primarily a manufacturing centre, the most important of its industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings. Sugar refining and cement manufacture are also major industries, and in recent years considerable quantities of knitted goods, electric torches and batteries, and rubber shoes have been produced and exported.

5. The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95°F. or falls below 40°F. The average rainfall is 85.16 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere is often very high, at times exceeding 95% with an average over the whole year of 79%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

6. The rainfall for 1934 was 97.67 inches. The mean temperature of the air was 71.4° against an average of 71°.9. The maximum gust velocity of the wind was at the rate of 67 m.p.h. from N.E. on October 1st.

7. His Excellency the Governor Sir William Peel, K.C.M.G., K.B.E., laid the foundation stone of the new Hong Kong and Shanghai Bank on 17th October.

8. A regrettable gasometer explosion occurred at West Point on 15th May, resulting in the death of forty persons.

9. In July a Commission was appointed under the chairmanship of Mr. M. J. Breen "to enquire into the causes and make recommendations for the amelioration of the existing position and for the improvement of the trade of the Colony".

The Commission had not reported by the end of the year.

10. During the course of the year Mr. E. D. C. Wolfe, C.M.G., Inspector General of Police, Mr. A. E. Wood, Secretary for Chinese Affairs, and Mr. J. R. Wood, Puisne Judge, left the Colony on retirement. Mr. C. C. Wu at one time Minister for Foreign Affairs to the Nationalist Government of China and later Chinese Minister at Washington died in Hong Kong in January. Among the honours conferred by His Majesty were:—C.M.G., Dr. A. R. Wellington; O.B.E., Mr. R. Baker; M.B.E., Mr. Tang Shiu Kin, Reverend G. T. Waldegrave and Mr. G. T. Padgett; I.S.O., Mr. A. R. Sutherland.

Chapter II.

GOVERNMENT.

The Government is administered under Letters Patent of 14th February, 1917, and Royal Instructions of the same and subsequent dates, by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, all of whom are members ex-officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are also members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are the Inspector General of Police, the Harbour Master, and the Director of Medical and Sanitary Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council.

2. The Sanitary Board composed of four official and six unofficial members has power to make by-laws under the Public Health and Buildings Ordinance in matters appertaining to public health, subject to an overriding power in the Legislative Council.

3. There are a number of advisory boards and committees, such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board, etc., composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

4. The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

5. The daily administration is carried out by the twenty-eight Government departments, which are officered exclusively by members of the Civil Service. The most important of the purely administrative departments are the Secretariat, Treasury, Secretariat for Chinese Affairs, Harbour, Post Office, Imports and Exports Office, Police and Prisons departments. There are seven legal departments, including the Supreme Court and the Magistracies. Two departments, the Medical and Sanitary, deal with public health; one, the Education, with education; and one, the largest of all the Government departments, the Public Works, is concerned with roads, buildings, waterworks, piers and analogous matters.

6. There have been no changes in the system of Government in the year under review.

Chapter III.

POPULATION AND BIRTHS AND DEATHS.

Variation in population in Hong Kong is more dependent on immigration and emigration than on births and deaths. Movements to and from the Colony are influenced by events in China and owing to the large numbers who come and go daily it is impossible to give more than a very rough estimate of the actual population, except during census years.

2. The following table shows the estimated population for the Colony for the middle of 1934.

Non-Chinese (mostly resident in Victoria and Kowloon)	20,908
Chinese in Victoria	373,199
Chinese in Hong Kong Villages	47,059
Chinese in Kowloon and New Kowloon	300,550
Chinese in junks and sampans	100,000
Chinese in New Territories	102,776
Total	944,492

3. During the year 2,789,039 persons entered and 2,811,100 persons left the Colony, making a daily average of 7,641 arrivals and 7,702 departures. The daily average for 1933 was 7,637 arrivals and 7,431 departures.

4. Registration of Births and Deaths in the New Territories has been more fully enforced since 1932 and the number of births registered has steadily increased. Introduction of the new Births and Deaths Ordinance in the latter part of 1934 has caused a further increase, with the result that this year, for the first time, all birth and death rates have been calculated on the total population of the Colony including the New Territories.

5. The number of births registered was:—

Chinese	20,424
Non-Chinese	462

6. The deaths registered among the civil population number 19,766 giving a crude death rate of 20.93 per mille as compared with 22.11 for the previous year.

	Deaths.	*Estimated Population.*	*Death rate per mille population.*
Non-Chinese	250	20,908	11.96
Chinese	19,516	923,584	21.13

7. The number of deaths of infants under one year was Chinese 7,094, non-Chinese 23. If the figures for Chinese births represented the total births, which they do not, the infantile mortality figure for the Chinese would be 347.31 as compared with 454.89 in the previous year. The infantile mortality figure among non-Chinese was 49.78 as compared with 88.30 in 1933.

Chapter IV.

PUBLIC HEALTH.

In the absence of some general system of registration of sickness, the only sources of information available for gauging the state of the public health in this Colony are the returns relating to deaths, the notifications of infectious diseases and the records of Government and Chinese hospitals. Judging from the death returns the health of the Colony was better than that of the previous year. The crude death rate was 20.93 per mille as compared with 22.11 for 1933.

2. Respiratory diseases accounted for 39.97 per cent of the total deaths, the percentage for 1933 was 41.93. The principal diseases causing death were broncho-pneumonia, pulmonary tuberculosis, bronchitis, infantile diarrhoea and diarrhoea.

3. The overcrowded houses, the expectorating habits of the people, and poverty furnish sufficient explanation for the prevalence of respiratory troubles.

4. *Pulmonary Tuberculosis.*—This disease continues to rank second to bronchi-pneumonia as the principal cause of death. It is probable that some of the cases of the latter were of tuberculous origin.

5. The total number of deaths was 2,179; that for 1933 was 2,225. The death rate per mille was 2.31 as compared with 2.71 for the previous year.

6. There is need for more hospital or infirmary accommodation for tuberculosis patients, especially for those of the poorer classes.

7. *Malaria.*—Owing to efficient drainage methods this disease has disappeared from the greater part of the urban districts. It still persists, however, in the suburbs and in the rural areas. There are parts of the New Territories where the spleen rate is as high as 41.1 per cent.

8. Malaria not being a notifiable disease the incidence figures are unknown. The cases admitted to the Government Hospitals numbered 457 as compared to 482 in the previous year. The percentage of deaths to cases admitted was 1.3%. Among the Chinese Hospitals there were 839 admissions with a case mortality rate of 18.35 per cent.

9. The total number of deaths attributed to this disease was 365, giving a death rate of 0.39 per mille over the whole population. The low death rate is, of course, due to the fact that the great bulk of the population residing in the drained urban area is not subject to risks of infection. If figures for local districts were available it would be found that in some areas the incidence and death rates were very considerable.

10. During the year the Malaria Bureau continued its investigations into the life history, habits and carrying powers of the local anophelines. The results obtained were both interesting and instructive. As in previous years there was no obstruction from the local Chinese; on the contrary they took an interest in the proceedings and showed their eagerness to be of assistance. The Chinese Inspectors have shown ability and zeal.

11. The Bureau co-operated fully with the Military Authorities and with the Public Works Department.

INFECTIOUS DISEASES.

12. During the year there were reported 153 cases of smallpox, 206 cases of cerebro-spinal fever, 102 cases of diphtheria and 212 cases of enteric. There were no cholera cases.

13. *Smallpox.*—Every year in the cold season this disease manifests itself in outbreaks which are sometimes sporadic, sometimes epidemic. Whatever the prevalence there is always a tendency for the morbidity rate to decline or disappear with the advent of summer. In the year under review there were 153 cases and 104 deaths as compared with 566 and 452 respectively in 1933. 53 cases only were treated in hospital; the remainder did not come under the notice of the authorities until after death.

14. The vaccination campaign was continued and during the year 298,806 persons were vaccinated. Valuable assistance was afforded by the St. John Ambulance Brigade and by the Chinese Public Dispensaries. Both bodies engaged in active propoganda and through their efforts many were persuaded who otherwise would have kept aloof. The various sections of the Brigade again carried out street vaccination with excellent results.

15. The Chinese have a preference for vaccination in the spring as being the auspicious season, and for a month or two after Chinese New Year the Chinese Public Dispensaries are crowded with children waiting to be done.

16. The majority of Chinese still hold the opinion that the herbalist treatment of smallpox gives better results than the methods adopted by practitioners qualified in Western medicine. An analysis of the statistics of (*a*) the Tung Wah Infectious Diseases Hospital where only herbalist treatment is carried out, and (*b*) the Government Infectious Diseases Hospital where western treatment only is provided shows that this view is not correct. Calculating on the figures for the last 25 years the case death rate at the Tung Wah was 47.9 per cent while that at the Government institution was 13.25 per cent.

17. *Plague.*—For the last five years no cases of plague have been reported in Hong Kong. The disappearance of this disease not only from this Colony but from the greater part of China and its decline throughout the world are due to factors which are not understood.

18. Systematic rat-catching and periodical cleansing of houses were carried out throughout the year. The total number of rats collected was 173,667 of which 23,926 were taken alive, as compared with 174,272 and 17,036 in 1933. The number collected each year shows that there is no diminution in the rat population. All the rats collected were sent to the Public Mortuary for examination. None was found infected.

19. *Cerebro-spinal Fever.*—There was an out-break of cerebro-spinal fever in Hong Kong which was sporadic in character. Altogether 246 cases were reported with 125 deaths. No special foci of infection were discovered and few instances where one could trace the source of infection. The cases were treated in the general hospitals without any instance of spread of infection.

20. Sera manufactured at the Bacteriological Institute were used therapeutically.

21. *Diphtheria.*—With regard to diphtheria there is little to be said. The cases were sporadic and the sources of infection were seldom discovered. 162 cases were reported as compared with 122 in 1933.

22. *Enteric.*—What has been said of diphtheria applies to enteric. The incubation period being so long and the possible sources of infection so numerous there is little chance of tracing in any case the source of infection. 212 cases were reported as compared with 207 in 1933.

23. *Leprosy.*—In October His Excellency the Governor appointed a Committee, under the Chairmanship of the Secretary for Chinese Affairs, to enquire into the incidence of Leprosy in the Colony and to suggest methods of dealing with lepers. The report of this Committee is now under consideration. The number of lepers in the Colony is unknown.

24. *Rabies.*—Fourteen cases of this disease were reported during the year. Four cases occurred in humans, the remainder in dogs.

With the exception of one human case in the City of Victoria the disease was confined to New Kowloon and the New Territories.

The last case was reported in August.

None of the human cases had been treated with anti-rabic vaccine before the appearance of symptoms. All were fatal. No case which received anti-rabic treatment contracted the disease, though several had been bitten by dogs proved to have been rabid.

THE DUMPING OF THE DEAD.

25. The number of bodies reported by the police as dumped was 1,056 as compared with 1,347 in 1933. In an endeavour to stop this practice chambers for the deposit of corpses have been established at all the Chinese Public Dispensaries. In some cases the top of the table is so arranged that the weight

of a body on it closes an electric circuit which rings a bell in the caretaker's room. So far the chambers have not been an unqualified success and dumping in the street at night continues to happen.

HOSPITALS.

26. *The Government Civil Hospital.*—The Hospital consists of three blocks and contains 225 beds in 23 wards. About one half the accommodation has been placed under the care of the clinical professors of the University who have been gazetted respectively Surgeon, Physician and Obstetric Physician to the Hospital.

The number of inpatients in 1934 was 5,063 as compared with 5,113 in the previous year.

27. Attendances at the Outpatient Department numbered 48,166 (51,925 in 1933), exclusive of the V. D. clinic. The greater part of the work of this department is done by the staff of the University.

28. Attached to the hospital is a Maternity Hospital of 21 beds. There were 954 cases in 1934 and 932 in 1933. With the exception of cases attended by the Government Medical Officers all the cases were under the care of the University Professor and his assistants.

29. *Mental Hospital.*—Situated close to the Government Civil Hospital is the Mental Hospital which is under the direction of the Medical Officer in charge of the Government Civil Hospital. There are separate divisions for European and Chinese. The European section contains 14 beds and the Chinese section 18 beds. This hospital is mainly only a temporary abode for mental cases, those of Chinese nationality being sent to Canton, and those of other nationalities repatriated to their respective countries. There were 344 cases in 1934 and 352 in 1933. The daily average number of patients for 1934 was 44.8.

30. *Government Infectious Diseases Hospital.*—This hospital situated on the Western outskirits of the City of Victoria is the only Government Institution of its kind for the whole Colony. Formerly a Police Station it contains only 26 beds. Eight cases were admitted in 1934 as compared with 28 cases in 1933.

31. *Kowloon Hospital.*—This hospital is situated on the mainland. It consists of four two storied blocks, one of which, containing 40 beds, is reserved for Maternity cases.

The total accommodation of the hospital is 140 beds, 48 of which were added during the year by the opening of a new general block in June.

Previously to the opening of the new block the Maternity Block had been used for general cases only. The opening of this block for the reception of Maternity patients filled a long felt want as there was no provision on the mainland for European women. Private patients may be attended by their own doctor if they so desire. During the latter half of the year 170 patients were admitted.

32. *Victoria Hospital.*—Situated on the Peak, this hospital overlooks the city of Victoria and has a clear view across the harbour of the territory on the mainland.

There are 42 beds in the General Block and 32 in the Maternity Block. There is an entirely separate staff for each building.

During 1934, 430 cases were treated, 359 in the General Block and 71 in the Maternity Block; the number in 1933 being 646, made up of 539 General and 107 Maternity cases. Maternity patients may be attended by their own doctor if they so desire.

33. *Tsan Yuk Hospital.*—This Maternity Hospital was formerly part of the organisation financed and managed by the Chinese Public Dispensaries Committee and was handed over to Government as a free gift on 1st January, 1934.

The care of the patients is under the general supervision of the University Professor of Obstetrics who is also a Government Consultant. The University Medical students receive training there.

There are 60 beds, of which 46 are reserved for maternity cases and 14 for gynaecological cases.

During the year 1694 cases were admitted to the Maternity section and 237 to the Gynaecological sections, a total of 1931 admissions.

In the out-patients department 6204 people attended during the year. Separate Gynaecological, Infant Welfare, Veneral Diseases, and Anti-Natal Clinics were held in which 1484, 2424, 1977 and 319 cases respectively were treated or advised.

34. *The Chinese Hospitals.*—Tung Wah, Tung Wah Eastern and Kwong Wah—are hospitals which are maintained by the Tung Wah Charity Organisation, a purely Chinese body. These institutions, which are assisted by Government, are under inspection by the Government Medical Department. Each has as its Medical Superintendent a Chinese Medical Officer who is paid by Government. The Medical staff consists of Chinese Medical Officers, qualified in Western Medicine, and Chinese Herbalists.

The patient is given his choice of treatment.

HOSPITAL	No. of beds	No. treated in 1934		No. treated in 1933	
		Western Medicine	Chinese Her-balist Medicine	Western Medicine	Chinese Her-balist Medicine
Tung Wah—General...	426	5,671	5,480	5,588	4,491
Maternity.	25	.1,320	—	1,600	—
Kwong Wah—General.	269	5,902	2,883	6,082	3,195
Maternity.	59	4,106	—	4,006	—
Tung Wah Eastern—General ...	222	3,050	2,528	2,560	2,680
Maternity.	14	954	—	767	—

35. *Tung Wah Infectious Diseases Hospital.*—Situated in Kennedy Town and adjacent to the Government Infectious Diseases Hospital is the Tung Wah Infectious Diseases Hospital, an institution containing 30 beds where 60 patients could be accommodated at a pinch. The treatment here is left almost entirely to the herbalists.

During the year there were 47 patients, as compared with 137 in the preceding year.

TREATMENT OF OPIUM ADDICTS.

At the Government Civil Hospital and Tung Wah Eastern Hospital six and twelve beds (respectively) are reserved for the treatment of opium addicts, the Government being responsible for the expenses incurred. 56 cases were treated at the former institution and 413 at the latter, making a total of 469 cases.

Chapter V.

HOUSING.

In recent years some evidence has been shown amongst the artizan class of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. This class of labour has to find its habitat as close as possible to the scene of its labour, with the result that the Western part of the City of Victoria, which houses the native business quarter and closely adjoins the portion of the harbour handling the traffic from the West River and Chinese Coast Ports, is seriously overcrowded.

2. These conditions are being slowly mitigated by the rebuilding of properties which from time to time are condemned for reasons of structural defects. This process of elimination is however, too slow to create any appreciable improvement. The legislation mentioned in paragraph 8, which calls for the provision of reasonable yard space, when made operative, will hasten the removal or reconstruction of much of the old property. This, whilst providing improved housing conditions, will no doubt mean increased cost of living to the labouring classes.

3. Hitherto, the hostility of the property-owning class to the introduction of legislation requiring additional open space and thereby reducing the earning power of the property has been the chief obstacle in obtaining improved conditions. It can, however, be recorded that this spirit of obstruction is less evident today as a result of education, and of the example set by some of the better class of realty companies whose blocks of tenement houses compare not unfavourably in essential respects with modern European practice.

4. The housing of the Colony is all privately owned, and control is maintained by the operation of the Public Health and Buildings Ordinance, the provisions of which also mould the character of the housing. Generally the houses are built back to back in rows, separated by a scavenging lane six feet in width specified by the Ordinance. These houses vary in height from two to four storeys according to the width of the street on to which they front, whilst the average height per storey is twelve feet, a minimum being controlled by the Ordinance. The houses built prior to the 1903 Ordinance covering the greatest part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. After the passing of the Public Health and Buildings Ordinance No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot is governed, and falls under two main heads, *viz*:—(*a*) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must not be less than one-fourth of the area of the site and (*b*) houses built on land bought subsequently where the minimum is raised to one-third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitation than to economics) and a depth of about thirty-five feet, whilst each storey consists of one large "room"

with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles each of which may accommodate a family. A latrine is built at ground floor level, one to each house irrespective of the number of occupants, and is common to all.

5. Structurally the earlier houses are of blue bricks (of native manufacture having a very low structural value) and timber, (usually China fir which is extremely susceptible to the ravages of white ants). Lately, however reinforced concrete and better quality bricks have been used.

6. In the City of Victoria the major defect of housing is due to lack of town planning, but since a large proportion of the City was erected in the early days of the Colony, when town planning was little practised even in Europe, the conditions to-day are a heritage, the elimination of which involves immense sums of money, and probably considerable opposition if attempted on a large scale.

7. Generally many of the old houses suffer from defects which are attributable to the Ordinance of that time. Passed in 1903 the measure was framed to meet existing conditions, both structurally and hygienically as they were then understood and practised. But, viewed in the light of modern practice and knowledge, many of its provisions are found to be lax and the following are the main resultant defects:—

(*a*) The open space is insufficient, especially with regard to earlier houses, i.e. those built on land purchased prior to 1903.

(*b*) Latrine accommodation is insufficient.

(*c*) Staircases are too narrow and steep, and often unlighted.

(*d*) Means of escape in case of fire insufficient.

Note:—

(*b*) In the case of new buildings where owners are able to provide by means of a well or otherwise an adequate water supply, flush sanitation is now usually provided on each floor. This is one of the most important steps forward in sanitation that has been achieved.

(*c*) and (*d*) have been provided for by recent amendments of the Public Health and Buildings Ordinance, which call for any new staircases in tenement houses to be of fire-proof construction, with alternative means of egress from all floors more than twenty three feet above the footpath. The remarks above apply more particularly to the housing of the wage-earning Asiatics. The housing for the wealthier classes is provided for by modern flats three or four storeys high, and in the suburban areas by detached or semi-detached houses usually two storeys high which may be occupied separately or as flats.

8. It is hoped to introduce a new Buildings Bill in Legislative Council early in 1935. This Bill has been drawn up with a view to improving particularly the conditions of light and ventilation to those old properties which under the existing Ordinance are not called upon to conform to modern requirements in this respect. A higher standard generally is being called for and building owners are themselves slowly realising the advantages to be gained from modern constructional methods allied to proper hygienic principles.

Chapter VI.

PRODUCTION.

Hong Kong is the port for South China, and the greater part of the large volume of goods that pass through it is in transit between South China and other parts of the world, including North and Middle China. The Colony itself produces comparatively little, though the shipbuilding, cement, rope, tin and sugar refining, rubber shoe and cotton knitting industries are not unimportant. Neither agriculture nor mining is carried on to any great extent, though the former is practised throughout the New Territories. Rice and vegetables are grown, and there is considerable poultry farming, but in insufficient quantities to supply the needs of the urban populations of Victoria and Kowloon. The cultivation is in the hands of the Chinese villagers. Sea fishing is an important industry, but here again local supplies have to be augmented by importation from outside.

2. Reports on the principal industries for the year 1933 are given below:—

Refined Sugar.—The outstanding feature of the year in South China was the inauguration of the Kwangtung Government Sugar Monopoly controlling sales of all sugar in Kwangtung, and the immediate result of this Monopoly was seen in the curtailment of indiscriminate smuggling into South China. Business with North China market was handicapped by the tightness of money, but the demand from consumers for Refineds was maintained and during the year showed no falling off in quantity. Japanese refiners have re-established their position in the country, and during the latter half of the year the boycott was non-existent. Towards the close of the year several thousand tons of United Kingdom, French and American Refined Sugars were dumped on the Hong Kong and China markets and the effects of these transactions cannot yet be definitely estimated.

Cement.—Business in Cement showed a slight decline during the first half of the year 1934, but the last six months saw a return of the good demand which has existed for the last two years. Japanese importers continue to flood the unrestricted market with Japanese Cement, which is retailed at phenomenally low prices.

Preserved Ginger.—Small increases in the amount of preserved ginger shipped in 1934 to the United States of America and Australia were more than discounted by a falling off in the demand from the United Kingdom and Holland, and there was a decline of more than 10 per cent in the total amount shipped during the year. Prices were approximately the same as last year, varying from $14 to $17 per picul for cargo ginger and $22 to $27 for stem ginger. Total value of exports amounted to $1,665,406. Of this amount $668,986 was taken by the United Kingdom, $332,245 by Australia, $194,651 by Holland and $182,186 by the United States of America.

Knitted Goods.—China is normally one of the largest markets for Hong Kong manufactured socks and singlets but the high China Customs tariff has seriously affected this trade. At one time India also was a very large buyer of Hong Kong made socks but, owing to competition from cheaper Japanese made articles, shipments to India have considerably decreased. There have been increased shipments of hosiery to the British West Indies but this increase is small compared to losses in the China and Indian markets. Exports of singlets have not been quite so adversely affected. Although the demand from China has seriously declined and there has also been a falling off in the demand from the Philippines and Siam, shipments to British Malaya and the Netherlands East Indies have appreciated slightly. The yarn used in the manufacture of the lower grades of cotton knitted goods is imported from North China and that for the higher grades from the United Kingdom. The total value of exports of singlets in 1934 was $3,011,096 and that of hosiery, $677,873.

Flashlight Torches & Batteries:—There were notable increases in the amount of torchlight cases shipped during 1934 to British Malaya, India and South Africa. Although there were fewer batteries exported, the increase in trade in cases amounted to considerably more than the decline in demand for batteries. The torch cases are manufactured from imported brass sheets, also from scrap brass rolled locally into sheeting. Glass lenses are also manufactured from imported glass and some bulbs are also made locally. The value of exports in 1934 amounted to $2,033.251 (torches) and $900,098 (batteries).

Rubber Shoes.—As locally manufactured canvas shoes with rubber soles qualify for Imperial Preference, an impetus has been given to shipments to other parts of the British Empire, particularly the United Kingdom and the British West Indies whose imports in 1934 were more than treble those in previous years. The rubber used in the manufacture of these shoes is imported from the Straits Settlements. Formerly, most of the canvas used originated from the United States of America, but now a large proportion of British canvas is used. The total value of exports in 1934 amounted to over $3,000,000.

Lard.—The manufacture of lard is an important local industry. Pigs are imported from South China and Kwongchowan and slaughtered in Government abbatoirs, the preparation of packing of the manufactured lard also being supervised by Government officials. Exports from Hong Kong declined somewhat in 1934 and prices also were lower. Total exports amounted to 33,485 piculs valued at $62,242. Of this amount, 21,104 piculs were taken by the United Kingdom.

Shipbuilding.—Two ocean-going vessels, seven launches, two yachts, six motor boats, six lighters and twenty six small craft were built during the year in local dockyards.

Chapter VII.

COMMERCE.

As anticipated at the close of the year 1933, the visible trade of the Colony during the year 1934 showed a still further decline, with little or no promise of any recovery in the immediate future.

2. The gloomy state of trade during the year was largely due to the still further diminished purchasing power of China, accentuated by tariff barriers, particularly in the adjacent province of Kwangtung.

3. The declared values of imports of merchandise during 1934 totalled $415.9 millions (£31.7 millions), as compared with $500.9 millions (£33.9 millions) in 1933, and exports amounted to $325.1 millions (£24.8 millions), as compared with $403.1 millions (£27.4 millions). Details are given in Table I.

4. In terms of Hong Kong currency imports during 1934 declined 17.0% as compared with 1933, and 33.3% as compared with 1932, whilst exports declined 19.4% as compared with 1933, and 31.1% as compared with 1932.

5. In terms of Sterling values imports declined 6.5% as compared with 1933, and 22.7% as compared with 1932, whilst exports declined 9.5% as compared with 1933, and 20.0% as compared with 1932.

6. It is estimated that the quantum of the import trade declined 16.0% as compared with 1933, 19.0% as compared with 1932, and 25.2% as compared with 1931, but, of necessity, the volume of imports into the Colony cannot be calculated accurately on account of the lack of a suitable unit of quantity, and the fact that many commodities are declared by value only.

7. China, Japan, Netherlands East Indies, U.S.A. and British Malaya all increased their shares of the import trade, whilst British Malaya, French Indo-China, Japan, Siam, U.S.A. and the Netherlands East Indies took greater shares of the exports. Details are given in Table II.

8. Imports of merchandise showed decreases in most groups of commodities, the exceptions being liquors, machinery, nuts and seeds, paper and paperware, and railway materials. Exports of liquors, machinery, minerals and ores, and nuts and seeds showed slight increases. Details are given in Table III.

9. Imports of Treasure (see Table IV) totalled $78.1 millions during 1934, as compared with $38.1 millions in 1933, and exports amounted to $128.5 millions as compared with $134.1 millions. During 1934 there was an export excess of gold bars amounting to a value of $56.2 millions, as compared with $82.9 millions in 1933. Towards the close of the year there was a considerable traffic in Chinese silver dollars, a total of $15.8 millions being exported abroad in the month of December alone.

10. Average T.T. opening rates of exchange during the year 1934 were.—London 1/6.3/16; France 581.3/8; U.S.A. 38.3/16; Shanghai 112.3/16; India 100.3/4; Singapore 64.11/16: Japan 128.1/8; Java 56.7/16. The lowest Sterling average rate was 1/4.3/4 in May, steadily rising month by month to 1/8.1/4 in December.

11. Wholesale prices in the Colony during the year 1934 recorded decreases of 11.6% as compared with 1933, 25.2% as compared with 1932, 33.0% as compared with 1931, 14.3% as compared with 1924, and 8.5% as compared with the base period of 1922. Details are given in Table V.

12. As compared with 1933 there were decreases in 1934 in each of the four groups of commodities, the index number of Foodstuffs declining 16.8%, Textiles 11.4%, Metals and Minerals 9.6%, and Miscellaneous Items 7.5%.

Table I.

IMPORTS AND EXPORTS 1923-1934.

(in £'s & $'s millions).

IMPORTS.

	1923.	*1924.*	*1930.*	*1931.*	*1932.*	*1933.*	*1934.*
1st Quarter	£ 14.7	19.3	*	9.0	11.9	8.5	7.1
	$130.7	165.4	*	186.9	170.7	132.8	95.8
2nd Quarter	£ 15.2	17.1	9.2	8.7	10.2	8.5	7.1
	$131.5	144.0	131.3	180.1	164.7	126.1	99.7
3rd Quarter	£ 14.3	19.2	10.1	9.0	9.3	8.5	8.1
	$127.1	161.7	156.8	182.3	142.4	122.1	**106.6**
4th Quarter	£ 17.8	16.5	10.3	11.8	9.6	8.4	9.4
	$155.3	136.6	167.4	188.4	146.2	119.9	113.8
Total	£ 62.0	72.1	29.6	38.5	41.0	33.9	**31.7**
	$544.6	607.7	455.5	737.7	624.0	500.9	**415.9**

EXPORTS.

	1923.	*1924.*	*1930.*	*1931.*	*1932.*	*1933.*	*1934.*
1st Quarter	£ 13.9	18.3	*	6.8	8.8	6.8	5.8
	$123.5	156.8	*	140.1	127.0	105.3	77.5
2nd Quarter	£ 16.3	15.2	7.4	6.4	7.1	7.2	5.7
	$140.9	128.0	105.9	132.5	115.3	106.2	**79.6**
3rd Quarter	£ 14.0	14.6	7.3	6.5	7.2	6.6	**6.1**
	$124.4	122.9	113.7	130.6	110.0	95.5	80.5
4th Quarter	£ 17.2	15.5	8.5	9.2	7.9	6.8	7.2
	$150.1	128.3	137.2	138.7	119.6	96.1	87.5
Total	£ 61.4	63.6	23.2	28.9	31.0	27.4	24.8
	$538.9	536.0	356.8	541.9	471.9	403.1	325.1

*No statistics available.

Note: Average rate of exchange 1923 = 2*s*. 3½*d*.
1924 = 2*s*. 4½*d*.
1930 = 1*s*. 3½*d*.
1931 = 1*s*. 0¾*d*.
1932 = 1*s*. 3¾*d*.
1933 = 1*s*. 4¼*d*.
1934 = 1*s*. 6$\frac{3}{16}$*d*.

Table II.

Distribution of Imports and Exports of Merchandise by Countries ($'000's omitted).

A.—Imports.

	1933.		*1934.*	
	$	%	$	%
China	155,187	31.0	146,488	35.2
Japan	25,289	5.0	36,669	8.8
N. E. Indies	38,886	7.8	34,675	8.3
United Kingdom	52,172	10.4	32,542	7.8
U. S. A.	31,209	6.2	29,343	7.1
French Indo-China	42,373	8.5	26,245	6.3
Siam	50,184	10.0	33,464	8.0
Germany	19,079	3.8	13,537	3.3
British Malaya	5,991	1.2	5,496	1.3
India	18,310	3.7	8,276	2.0
Australia	8,097	1.6	6,698	1.6
Belgium	8,416	1.7	4,880	1.2
All Other Countries	45,746	9.1	37,606	9.1

Summary

United Kingdom	52,172	10.4	32,542	7.8
British Dominions and Possessions	46,139	9.2	28,954	7.0
China	155,187	31.0	146,488	35.2
All Other Countries	247,441	49.4	207,935	50.0
Total British Empire	98,311	19.6	61,496	14.8
Total Foreign	402,628	80.4	354,423	85.2
Grand Total	500,939	100.0	415,919	100.0

Table II,—*Continued.*

B.—Exports.

	1933.		1934.	
	$	%	$	%
China	227,005	56.3	156,243	48.0
British Malaya	21,419	5.3	24,765	7.6
French Indo-China	24,273	6.0	24,095	7.4
Japan	12,884	3.2	11,447	3.5
Macao	21,384	5.3	17,364	5.3
Siam	14,546	3.6	14,664	4.5
U. S. A.	19,[illegible]	4.8	18,573	5.7
Kwong Chow Wan	9,965	2.5	8,018	2.5
N. E. Indies	9,574	2.4	8,506	2.6
Philippines	9,431	2.3	5,291	1.6
India	5,581	1.4	4,233	1.3
All Other Countries	27,746	6.9	31,906	10.0

Summary

	1933. $	1933. %	1934. $	1934. %
United Kingdom	4,534	1.1	6,363	2.0
British Dominions and Possessions	36,614	9.1	39,701	12.2
China	227,005	56.3	156,243	48.0
All Other Countries	134,939	33.5	122,798	37.8
Total British Empire......	41,148	10.2	46,064	14.2
Total Foreign	361,944	89.8	279,041	85.8
Grand Total	403,092	100.0	325,105	100.0

Table III.

IMPORTS AND EXPORTS BY MAIN GROUPS OF COMMODITIES

($'000's omitted)

	Imports.		*Exports.*	
	1933.	*1934.*	*1933.*	*1934.*
	$	$	$	$
Animals, Live	11,404	9,223	314	300
Building Materials	9,355	7.262	4,767	3,872
Chemicals & Drugs	6,688	5,724	3,849	3,325
Chinese Medicines	17,895	16.825	12,179	11,789
Dyeing Materials	4,389	3,696	3,856	3,224
Foodstuffs	166,926	126.537	153.602	102.170
Fuels	13,979	11,463	2,125	1,087
Hardware	3,970	2,937	2,437	2,120
Liquors	3,769	3,916	933	1,226
Machinery	5,644	6.948	1,952	5,833
Manures	9,862	2,046	9,328	3,520
Metals	38,061	33,172	33,650	31,055
Minerals & Ores	1,885	1,100	1.544	2,922
Nuts & Seeds	5,814	6,101	3,849	4.227
Oils & Fats	35,615	33,902	30,460	25,753
Paints	2,002	1,440	1,679	1.328
Paper & Paperware	9,389	9,732	8,023	6,962
Piece Goods	75,077	66.551	55,523	48,703
Railway Materials	352	354	189	1,521
Tobacco	6,539	6,384	5,185	4,295
Treasure	38,113	78,081	134,133	128,480
Vehicles	4,186	3,374	2,058	2,039
Wearing Apparel	4,117	4,041	8,488	8,487
Sundries	64,021	53,190	57,162	49,346
Total	539,052	493,999	537.225	453.584

Table IV.

IMPORTS AND EXPORTS OF TREASURE.

	Imports.		*Exports.*	
	1933.	*1934.*	*1933.*	*1934.*
	$	$	$	$
Bank Notes	6.578,574	16,735,677	5,525,607	13,295,374
Copper Cents	39,513	156,983	43,079	264,622
Gold Bars	5,986,917	13,713.828	88,917,365	69,869,489
Gold Coin	—	—	2,777,545	528,049
Gold Leaf	24,864	14,448	244,689	252,556
Silver Bars	14,519,263	3,575,251	6,309.042	9,191,377
H.K. Silver Dollars	2,314,968	16.982.920	300	—
Chinese Silver Dollars	2,846,228	23,197.937	5.250,287	31,140,989
Other Silver Dollars	4,113	172,564	67,691	199,914
Silver Sub. Coin	5,798,812	3.531.261	24,996,979	3,737,158
Total	38,113,252	78.080,869	134,132,584	128,479,528

Table V.

WHOLESALE PRICE CHANGES.

(1922 = 100)

Groups	*1913.*	*1924.*	*1931.*	*1932.*	*1933.*	*1934.*
Foodstuffs	73.6	106.1	144.3	126.5	113.4	94.3
Textiles	55.1	112.5	135.8	125.2	97.0	85.9
Metals	63.2	102.3	140.9	128.1	107.8	97.4
Miscellaneous	64.2	106.3	125.4	109.7	95.7	83.5
Average	64.0	106.8	136.6	122.4	103.5	91.5

Chapter VIII.

WAGES AND THE COST OF LIVING.

A great proportion of the workers in Hong Kong are paid on a piece-work basis and in some trades are engaged and paid on curiously complicated systems involving payment of a bonus or a share in the yearly profits.

2 Local trade was very dull during the year 1934 and the improvement of business of which there were faint signs at the end of 1933 did not materialize. The chief causes remained the same, viz. the world depression and the evergrowing wall of high tariffs imposed by the Chinese and other governments, whilst a new factor hindering exports to foreign countries was the steadily maintained appreciation of the silver dollar vis-à-vis gold and sterling. The hosiery and knitting trades were particularly hard hit and several large and well-established firms engaged in the manufacture of these classes of goods were compelled to close down. The heavy industries such as ship-building and engineering also suffered from lack of business, but on the other hand several smaller industries such as those involving the manufacture of felt hats, sweets, electric torches and dry-batteries, mosquito sticks, etc., appeared to be flourishing. The printing and book making industries and the rubber shoe trade had a fair measure of prosperity and although several factories closed down others were opened. In spite of the depression the total number of factories in the Colony continues to increase and at the end of the year there were 550 factories and workshops registered under the Factories and Workshops Ordinance. It would be misleading, however, not to point out that the majority of these are quite small establishments. As foreshadowed at the end of 1933 conditions in the building trade were slack as compared with the boom of previous years but thousands of coolies found employment in various public works and other undertakings such as the Shing Mun Dam, the new Gaol at Stanley, the new Government Civil Hospital and the new Hong Kong and Shanghai Bank building. Although unemployment has become more marked it cannot be said to have become acute as in Western countries. Many Chinese who are unable to find employment in the Colony have returned to their native districts in the neighbouring provinces of China and there has been a further decline in the rents of tenement houses, flats, offices and shops occupied by Chinese. Even in the case of premises occupied by Europeans a distinct decline in rentals has now become apparent and there is a tendency to move to outlying districts where accommodation is cheaper. There has been no noticeable change in the average rates of wages for labour but the prices of all Chinese food-stuffs declined further during the year.

3. The European resident, unlike the local labourer, purchases a certain number of articles which have to be imported from countries with sterling or gold currencies. He is therefore affected by variations in the exchange value of these currencies as expressed in terms of the silver dollar. Throughout the year the silver dollar showed a steady appreciation in its exchange value vis-à-vis sterling and the American dollar. Although this rise in value is regarded by many people as a mixed blessing, a general lowering of the local prices of articles imported from England and the United States of America was apparent in the closing months of the year.

AVERAGE RATES OF WAGES FOR LABOUR.

Building Trade:—

Carpenters	$1.15	per day.
Bricklayers	1.10	,, ,,
Painters	1.10	,, ,,
Plasterers	1.10	,, ,,
Scaffolders	1.70	,, ,,
Labourers (male)	0.80	,, ,,
,, (female)	0.50	,, ,,

Working hours, nine per day. Time and a half paid for over-time. Free temporary quarters provided on the building site and communal messing at cheap rates.

Shipping and Engineering:—

Electricians	$1.45 to $1.80	per day.
Coppersmiths	1.20 to 1.80	,, ,,
Fitters	0.80 to 1.80	,, ,,
Sawmillers	1.00 to 1.40	,, ,,
Boilermakers	1.00 to 1.50	,, ,,
Sailmakers	1.00 to 1.50	,, ,,
Blacksmiths	0.80 to 1.20	,, ,,
Turners	1.00 to 1.40	,, ,,
Patternmakers	1.00 to 1.40	,, ,,
Labourers	0.50 to 0.80	,, ,,

Over-time—time and a half. Night work—double time.

Transport Workers:—

Tram drivers	$36 to $45	per month.
,, conductors	30 to 39	,, ,,
Bus drivers	50	,, ,,
,, conductors	20 to 25	,, ,,

Working hours, nine per day. Free uniform. Bonus at end of year.

Railway Workers (Government):—

Engine drivers	$540 to $1,000	per annum.
Firemen	330 to 480	,, ,,
Guards	600 to 1,000	,, ,,
Signalmen	600 to 1,000	,, ,,
Station Masters	1,100 to 1,800	,, ,,
Booking Clerks	600 to 1,000	,, ,,
Telephone operators	480 to 1,000	,, ,,

Female Workers in Factories:—

Cigarette making	$0.40 to $0.80	per day.
Knitting factories	0.20 to 0.50	,, ,,
Perfumery	0.20 to 0.50	,, ,,
Confectionery	0.20 to 0.60	,, ,,

Working hours from 7 a.m. to 5 p.m. One hour off at mid-day. Over-time from 6 p.m. to 9 p.m. at day rates.

Domestic Servants:—

Employed by Chinese	$7.00 to $20.00	per month.
Employed by Europeans	15.00 to 40.00	,, ,,
Gardeners	15.00 to 30.00	,, ,,

With free lodging, and with Chinese employers, generally free board.

NOTE :—The rates of pay of Government employees approximate closely to those of a similar category in private employ.

AVERAGE RETAIL PRICES OF FOODSTUFFS, ETC.

	1933.	1934.
Rice (3rd grade) ...	7.6 cents per catty.	5.6 cents per catty.
Fresh fish	31.8 ,, ,, ,,	25.3 ,, ,, ,,
Salt fish	27.8 ,, ,, ,,	23.1 ,, ,, ,,
Beef	44.4 ,, ,, ,,	40.6 ,, ,, ,,
Pork	51.4 ,, ,, ,,	41.6 ,, ,, ,,
Oil	21.4 ,, ,, ,,	15.3 ,, ,, ,,
Firewood	10 ,, for 9 catties.	10 ,, for 9.7 catties

Chapter IX.

EDUCATION AND WELFARE INSTITUTIONS.

GOVERNMENT SCHOOLS.

These are either schools where the medium of instruction is English or mostly English or schools where the medium of instruction is Chinese. The former, seventeen in number, are known as "English" schools, the latter of which there are three as "Vernacular" schools.

2. Of the four English schools, classed as "secondary" schools in the Table below, two are Anglo-Chinese schools for boys and one for girls. These three schools have primary departments. The fourth school, the Central British School which is a mixed school, has no primary department. Of the eleven English schools, classed as "primary" schools in the Table, three are mixed schools preparing for the Central British School. In this group are also four "District" schools, including one for Indian boys and four "Lower Grade" schools, three of which are in rural districts. In those English schools which are attended by Chinese the study of English and of Chinese is carried on side by side, the *pari passu* system requiring that promotion shall depend on proficiency in both languages.

3. Of the two Government Schools classed as "Vocational" one is the Junior Technical School which was opened in February, 1933, the other is the Technical Institute which is attended by persons desirous of receiving instruction for the most part germane to their day time occupations.

4. Of the three Government Vernacular schools one has a seven years' course and includes a Normal department. There is also a Normal school for women teachers and a Normal school on the mainland which aims at providing Vernacular teachers for rural schools.

GRAND-IN-AID AND SUBSIDIZED SCHOOLS.

5. There are fourteen Grant-in-Aid English Schools, and four Grant-in-Aid Vernacular Schools. Of the former, seven are schools for boys and seven are for girls.

6. One English school for girls has a primary department only. The remaining schools classed in the table below as "secondary" schools have primary departments as well as the upper classes. One Infant School for girls has been added to the Grant List during the year.

7. Munsang College, Kowloon City, received a grant of $6,000.

8. The Vernacular Grant-in-Aid Schools are schools for girls and are classed in the Table as " secondary " schools.

9. The 314 subsidized schools are all Vernacular schools.

UNAIDED SCHOOLS.

10. In 1934 there were 594 unaided Vernacular schools with 32,675 children and 123 unaided English schools with 6,520 children.

Table showing number of schools and scholars for the year 1934.

CLASS OF INSTITUTIONS	GOVERNMENT SCHOOLS		GRANT-IN-AID AND SUBSIDIZED SCHOOLS		UNAIDED SCHOOLS	
	No. of Institutions	On Roll	No. of Institutions	On Roll	No. of Institutions	On Roll
ENGLISH :—						
Secondary.	4	2,261	13*	6,258	11	1,643
Primary..	11	1.714	2	248	112	4,877
Vocational, ...	2	1,035	...	...	...	...
Total,......... .	17	5,010	15	6,506	123	6,520
VERNACULAR :--						
Secondary, ...	1	252	4	1,013	...	...
Primary,.	...	...	314	20,906	594	32,675
Vocational, ...	2	214	1	252	...	...
Total,..........	3	466	319	22,171	594	32,675

Total No. of Institutions 1,071

Total On Roll 73,348

*This includes Ying Wa College whose primary department receives a Grant-in-Aid.

THE UNIVERSITY.

11. The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

12. The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall. There are also three recognized hostels for men, St. John's Hall, Morrison Hall and Ricci Hall, and one—St. Stephen's Hall for women. No university hostel at present exists for women students.

13. The late Sir Hormusjee Mody bore the entire expense of the erection of the main building. Additions have been made through the liberality of benefactors of varied nationality and domicile. The latest additions to the buildings are a School of Chinese Students, the cost of which was borne by Mr. Tang Chi Ngong a local Chinese merchant and banker, and a Chinese Library named after the late Mr. Fung Ping Shan who provided a sum of $100,000 for the building and $50,000 as an endowment fund for its maintenance; also a School of Surgery and a New Engineering Laboratory named after H.E. the Governor, Sir William Peel.

14. The income of the University for 1934 amounted to $953,494 of which $422,000 was derived from endowments and $350,000 from Government. Messrs. John Swire & Sons, Ltd., gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockfeller Institute has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000. The annual expenditure in 1934 amounted to about $948,144.

15. The University includes the three faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognized as equivalent thereto.

16. The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D. and M.S. are awarded on examinations but are subject to the proviso that every candidate for the degrees shall produce evidence of special post-graduate experience in the subject which he presents. The degrees above mentioned are recognized by the General Medical Council for registration in Great Britain.

17. The Faculty of Engineering provides a four years course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

18. The Faculty of Arts includes departments of pure arts and science, social science, commerce, a department of Chinese studies and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

19. With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

20. The degree of LL.D. is granted *honoris causa*.

CHARITABLE INSTITUTIONS.

21. The following are the best known Charitable Institutions.

French Convent Orphanage.
Italian Convent Orphanage.
Maryknoll Convent, Kowloon.
St. Louis Industrial School.
Po Leung Kuk—Chinese.
Victoria Home and Orphanage.
Society of Precious Blood Hospital.
Home for Aged Poor, Kowloon.
La Calvaire Home for Aged Poor, Happy Valley.
Eyre Refuge.
Salvation Army Home.
Industrial Home for the Blind, Pokfulam.

RECREATION AND ART.

22. Most of the schools contrive to hold Annual Sports either on their own grounds or on grounds generously lent by local Cricket and Football Clubs. Some schools are granted free use of Government Bathing Beaches for four afternoons a week during the Bathing Season. Lawn Tennis, Football, Swimming, Volley Ball and Basket Ball continue to increase in popularity. Cricket is played at a few schools. Physical training is given by qualified instructors. Art is taught in the Government British Schools by Trained Art Mistresses.

Chapter X.

COMMUNICATION AND TRANSPORT.

The external communications of Hong Kong are excellent both by sea and by telegraph, cable and radio. As regards the former, the Peninsular and Oriental Steam Navigation Co., the Nippon Yusen Kaisha, the Blue Funnel Line, the Messageries Maritimes, and several other British and foreign companies maintain regular passenger and freight services between Hong Kong and Europe. The trans-Pacific communications are well served by the Canadian Pacific Steamship Ltd., the Dollar Line, the Nippon Yusen Kaisha, and other steamship lines. To Australia three steamship companies, the Eastern and Australian, Nippon Yusen Kaisha, and Australian and Oriental maintain regular passenger and freight services. In addition there are direct sailings to Africa, South America, and to New York. There is frequent and regular communication between Hong Kong and other Far Eastern ports in India, Java, Straits Settlements, Formosa, Indo-China, Japan and the China coast. Local steamship communication is by river steamer from Hong Kong to Canton and the West River ports with several sailings daily. In addition there is a vast traffic between Hong Kong and the adjacent provinces of China by junk and sampan.

2. The total shipping entering and clearing Ports in the Colony during the year 1934 amounted to 93,754 vessels of 41,914,022 tons which, compared with the figures for 1933 shows a decrease of 14,868 vessels, and 1,129,359 tons. Of the above, 44,043 vessels of 40,054,033 tons were engaged in Foreign Trade as compared with 51,492 vessels of 40,862,583 tons in 1933. There was an increase in British Ocean-going shipping of 9 vessels and 20,855 tons. Foreign Ocean-going vessels show a decrease of 388 vessels and 484,206 tons. British River Steamers showed a decrease of 320 vessels and 101,057 tons. Foreign River Steamers showed a decrease of 227 vessels and 60,299 tons. In steamships not exceeding 60 tons employed in Foreign Trade there was a decrease of 1,425 vessels with a decrease in tonnage of 36,598 tons. Junks in Foreign Trade showed a decrease of 5,098 vessels and 147,245 tons. In Local Trade (*i.e.* between places within the waters of the Colony) there was a decrease in steamlaunches of 1,622 vessels with a decrease in tonnage of 42,389 tons. Junks in local Trade show a decrease of 5,797 vessels and 278,420 tons.

3. The Eastern Extension Australasia and China Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provides good connections with Europe *via* India, with Australasia, and with the other British Colonies and Possessions. By their cable to Manila connection is made with the direct American

cable, thence to San Francisco Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; the system of the Great Northern Telegraph Company gives a good service to Europe *via* Asiatic Russia.

4. The Government operates commercial radio services with direct communication to the Chinese stations Shanghai, Foochow, Amoy, Swatow, Canton, Yunnanfu, Hoihow, and to Formosa, French Indo-China, Siam, Phillippines, Dutch East Indies, British North Borneo and *via* Manila to Europe, America, etc.

5. The revenue collected by the Radio Office during the year from radio telegrams amounted to $639,464, a decrease of $3,754 on the amount collected in 1933. Advices of vessels signalled at the Lighthouses yielded $1,459. The total Revenue from the telegraph service amounted to $640,923. Ship Station Licences yielded $1,544, Amateur Transmission Station Licences $298, Broadcast Receiving Licences $37,262, Dealers' Licences $2,371 and Examination Fee for Operators' Certificates of Proficiency $6.

6. The number of paid radio-telegrams forwarded during the year was 184,166 consisting of 1,730,084 words against 191,586 consisting of 1,518,215 words in 1933 and 212,072 were received, consisting of 2,401,601 words against 207,339 consisting of 1,757,629 words.

7. In addition to the paid traffic figures given above the wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 400 messages or 246,930 words from Rugby, the collection and distribution of meteorological traffic, 8,124 messages 355,538 words having been forwarded, and 19,908 messages 318,969 words having been received, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc.

8. A telephone service between Hong Kong and Canton, a distance of 110 miles is in operation.

9. *Mails.*—The number of mail receptacles of Hong Kong origin despatched during the year was 44,067 as compared with 46,650 in 1933—a decrease of 2,583, the number received was 44,951 as compared with 49,449—a decrease of 4,498.

10. Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 206,869 as against 222,489 in 1933 a decrease of 15,620.

11. *Registered Articles and Parcels.*—The number of registered articles handled amounted to 680,360 as compared with 691,046 in 1933—a decrease of 10,686.

12. The figures for insured letters were 16,316 and 20,232 respectively—a decrease of 3,916.

13. Parcels, ordinary and insured, which were dealt with reached a total of 150,309 as against 143,064 in 1933—an increase of 7,245.

14. The Railway had a successful year in 1934 in spite of the trade depression. Features were the growth of terminal through traffic to and from Canton and the decline of local and sectional through traffic.

15. The principal event was the introduction of a new working agreement for through traffic between the British and Chinese Sections. This came into force on October 1st and superseded the old working agreement which, although drafted in 1911, had never been ratified. The new agreement is comprehensive and flexible and is expected to lead to increased efficiency through co-operation and mutual goodwill. Its main proviso is that the British Section's share of terminal through traffic receipts has been reduced from 35% to 28%.

16. The manner in which the track on both Sections has been maintained, enabled the express services to be accelerated, the journey from Kowloon to Canton being reduced by thirteen minutes to two hours fifty-seven minutes from October 1st. A new mid-day fast terminal through train was instituted at the same time and has proved very popular.

17. The three 4-6-0 express locomotives obtained for the Chinese Section are still operated by the British Section. The Chinese Section made twelve monthly cash payments of $10,000 each in respect of these locomotives. Haulage charges continued to be paid by the Chinese Section.

18. The total steam train mileage run amounted to 433,868; this includes trains hauled by British Section locomotives over the Chinese Section. Motor Coach mileage was 14,519. Passenger journeys were 2,683,444 as against 2,765,726 in 1933.

19. Revenue for the year totalled $1,639,775 as against $1,630,610 in 1933. Net revenue amounted to $696,604 as against $711,052.42 for 1933, but the former figure would have increased to $727,917 had the percentage earnings from terminal through traffic remained at the same level throughout the year.

20. There are 377 miles of roads in the Colony, 161 miles on the Island of Hong Kong and 216 miles in Kowloon and the New Territories. Of the total mileage 293 miles are constructed

in water bound macadam dressed with asphalt, 12 miles in sheet asphalt on a cement concrete foundation, 13 miles of tar macadam, 17 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 39 miles of gravel.

21. The public travelling over the Colony's roads increases yearly with a corresponding growth in the number of motor buses, of which there are 59 operating on the island of Hong Kong, and 115 on the mainland. These are gradually replacing the rickshas, the number of which decreases year by year.

22. The Hong Kong Tramway Company has a fleet of nearly 90 double deck tram cars running along the sea front of Victoria from Kennedy Town to Shaukiwan.

23. Communication between the island and the mainland is maintained by a number of ferry services; the most important of which are the Star Ferry between Kowloon Point and a pier near the General Post Office, and the combined vehicular and passenger service of the Hong Kong and Yaumati Ferry Company between Jordan Road, Kowloon and Jubilee Street, Victoria.

Chapter XI.

BANKING, CURRENCY, WEIGHTS & MEASURES.

The Colony is well served by banking institutions. There are fifteen principal banks doing business in the Colony which are members of the Clearing House, and in addition several Chinese banks and numerous native Hongs doing some portion of banking business. There are no banks which devote themselves specially to agricultural and co-operative banking. The Hong Kong and Shanghai Banking Corporation also conducts the business of the Hong Kong Savings Bank on usual savings bank principles. Several of the more important Chinese Banks have opened branches in Hong Kong during the year and there have been no notable difficulties among the smaller native banks. The credit and repute of the Colony's financial institutions have never been higher than during this difficult period and it is satisfactory to be assured that ample encouragement and support are available to finance any possible demand that a revival of trade would need.

2. The Currency of the Colony is based on silver and is governed by the Order in Council of 2nd February, 1895. The dollar, which is normally in circulation and which is legal tender to any amount, is the British Dollar of 900 millesimal fineness and weight 26.957 grammes (416.00 grains). Silver subsidiary coins of the value of 5, 10, 20 and 50 cents and one cent pieces

in bronze are also legal tender up to the value of two dollars for silver and one dollar for bronze. Bank notes issued by The Hong Kong & Shanghai Bank, The Chartered Bank and The Mercantile Bank are also in circulation, the estimated amount issued at the end of 1934 being $153,601,407. These Bank notes are redeemable in legal tender dollars at the Banks' Offices in Hong Kong, and include fiduciary issues amounting to $12,000,000, the balance being covered in various proportions for the respective banks by silver coin of approved denominations, by bullion, and by securities.

3. The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = 0.0133 ounces avoirdupois.
1 tsin (mace) = 1.33 ounces avoirdupois.
1 leung (tael) = 1.33 ounces avoirdupois.
1 kan (catty) = 1.33 pounds avoirdupois.
1 tam (picul) = 133.33 pounds avoirdupois.

and

1 check (foot) = 14⅝ English inches divided into 10 tsün (inches) and each tsün into 10 fan or tenths.

Chapter XII.

PUBLIC WORKS.

During the year under review the operations of the Public Works Department were carried out, under a Head Office Staff, by eleven sub-departments, namely the Accounts and Stores, Architectural, Buildings Ordinance, Crown Lands and Surveys, Drainage, Electrical, Port Development, Roads and Transport, Valuations and Resumptions, Waterworks Construction, and Waterworks Maintenance offices.

2. The European staff comprised 160 officers and the non-European approximately 623.

3. The following is a summary of works carried out during the year:—

BUILDINGS.

4. Works completed were:—New Markets at Bowrington Canal and Arsenal Street; temporary Barrack Sheds for Police on Caine Road; new Quarters for Wireless Operators at the Peak Wireless Station; fire Appliance Sheds at Aberdeen and Aplichau; new Stores for the Hong Kong Volunteer Defence Corps; new

Laboratory Building at the Junior Technical School; quarters for a Sexton at Chai Wan Cemetery; a block of Quarters for Nurses at Kowloon Hospital; new Residence for the Director of the Royal Observatory; new Markets at Mong Kok and Tong Mi; a new Fire sub-Station at Shamshuipo; a temporary Post Office at Kowloon Point; two Postal Kiosks; a Revolver Range at King's Park, Kowloon; Government Bungalow at Fanling; a new Dormitory Block at Lai Chi Kok Prison; a Furniture Workshop and Store at Hung Hom and a temporary Court Room Building at the Yaumati Magistracy.

5. Works under construction were:—New Gaol at Stanley; new Government Civil Hospital at Pokfulum; new Upper Levels Police Station and an Outpatients Department Building at Kowloon Hospital.

6. In addition to general maintenance, numerous minor alterations and improvements to Government Buildings were also executed during the year.

Communications.

7. Works completed were:—A new road to the bathing beaches (South-east of Repulse Bay); Robinson Road, between Peak Road and Glenealy, including a bridge; Blue Pool Road; path to Cape D'Aguilar Wireless Station; Magazine Gap Road (from May Road to Stubbs Road); Middle Gap Road; approach path to "Tanderagee", and Garden Road (from about the Helena May Institute to Macdonnell Road) were widened, and to the latter a new type of non-skid slab footpath was laid; 1st section of the new road between Causeway Bay and Ming Yuen; and a further section commenced towards the end of the year; surfacing was laid to the 40-feet roads on the Praya East; Waterloo Road was widened from the Disinfecting Station to the Railway Bridge; a path to a temporary park to the South-east of Waterloo Road near the Disinfecting Station; approach road to the Botanical and Forestry Quarters at Lai Chi Kok; portion of Pratas Street from Castle Peak Road was formed; a path to the East of the Polo Ground from Boundary Street; half width of roadway immediately East of La Salle College; access path at Chuk Un leading to experimental block for Kowloon City Villagers; Sai Kung Road was extended eastwards; South of Prince Edward Road; improvements to bends on Taipo Road at $5\frac{3}{4}$, $6\frac{1}{2}$ and $6\frac{3}{4}$ miles; surface between $12\frac{1}{2}$ miles and 16 miles was strengthened and improved; approach paths leading to the Senior Police Officers' quarters and to the District Officers Land Court at Taipo were widened and surfaced with concrete; a parking area was formed at the junction of the Fanling—Sha Tau Kok Cross Road; Sha Tau Kok Road was improved and strengthened in the vicinity of Sha Tau Kok Police Station and also the main road from Fanling—Sha Tau Kok Cross Roads to Fanling Cross Roads via Fanling Village and Sheung Shui Railway

Station; main bridge at Sheung Shui was extended by the addition of one extra span; road leading to Lok Ma Chau Police Station was strengthened and improved; road to Kam Tin was widened; a length of the main road between Castle Peak and Un Long was tar-painted for a distance of two miles; car park on the Castle Peak Road between 10th and 13th miles; streets at Sha Tau Kok, Taipo Market and Un Long were surfaced, kerbed and channelled in front of new houses.

8. Works under construction were:—New 100 ft. Shaukiwan Road, 1st and 2nd Sections from Causeway Bay to Taikoo Sugar Refinery; new Road to Bathing Beaches (S.E. of Repulse Bay): Robinson Road widening between Peak Road and Glenealy; Blue Pool Road Improvements—1st section; 10 ft. Path from Shek O Gap to Cape D'Aguilar Wireless Station; new Road from Island Road to Stanley; Widening of Magazine Gap Road between May Road and Stubbs Road.

DRAINAGE.

9. New sewers and storm water drains were constructed in Hong Kong to a length of 11,997 feet, open nullahs to a length of 334 feet and parapet walling to open nullahs 933 feet. Anti-malarial Campaign work was completed at Lyeemun and continued at Mt. Parker and Sookunpoo. Streams were trained to a total length of 19,597 feet. In Kowloon, New Kowloon and New Territories, new sewers and storm water drains were constructed to a length of 14,641 feet; open nullahs full section 113 feet, part section 1,278 feet; parapet walling 232 feet; channelling 1,116 feet. Anti-malarial work at Kowloon Tong:—Nullahs and channels were constructed to a length of 2,642 feet, and "cutting and filling" amounting to 6,928 cubic yards was carried out.

WATER WORKS.

10. In Hong Kong the following lengths of new mains were laid to improve the distribution system:—432 feet of 12″, 2,326 feet of 10″, 566 feet of 8″, 3,910 feet of 6″, and 13,574 feet of smaller sizes. 274 feet of 2″ subsidiary main were laid in back lanes. The Jardine's Lookout Section of the Eastern Pumping Scheme was practically completed by the end of the year. The scheme includes two turbine driven ram pumps each capable of delivering 3,600 gallons per hour from Eastern Filter Beds to a service reservoir at 778 A.O.D. through a 5″ diameter rising main 2,687 feet in length. 4,680 feet of 3″ and 4″ diameter distribution mains were laid and a 45,000 gallons balance reservoir above Tai Hang at 533 A.O.D. was nearly completed. A scheme for a similar installation to service the Middle Gap and Mount Cameron Districts was investigated. A scheme to improve the water supply to the Stanley District was investigated and reported on. In Kowloon and New Kowloon the following lengths of new mains were laid:—300 feet of 18″, 6,295 feet of 12″,

1,286 feet of 10″, 1,135 feet of 8″, 6,278 feet of 6″, and 1,460 feet of 4″. In addition 9,619 feet of subsidiary mains of from 1½″—4″ diameter were laid. The Yaumati Hill Service Reservoir was completed and brought into use. At Taipo 7,838 feet of 6″ and 780 feet of 7″ supply mains were laid. At Un Long the first section of a new water supply was nearly completed. The scheme includes intake works with rough filters and 11,600 gallons storage; 22,764 feet of 5″ and 6″ piping were laid and the irrigation dam was being reconstructed to provide a dry weather supply for cultivation.

11. The new five million gallons Service Reservoir at Yaumati Hill was completed.

12. The Second Section of the West Catchwater and the removal of silt from the Lower Reservoir were completed and with the termination of these works the Aberdeen Valley Water Scheme was completed.

13. The Tytam Tuk East, Dragon's Back First Section, Pottinger Peak Second Section and Mount Parker First Section Catchwaters were completed and the Second Section of the Dragon's Back Catchwater was commenced.

14. Preparations were made for the laying of the Second Cross Harbour Pipe, and by the end of the year most of the materials had arrived in the Colony.

RECLAMATIONS.

15. At Tsat Tze Mui, a further seven and a half acres were reclaimed, this completes the reclamation of a section of about twenty-one and a half acres; work was commenced on a further instalment which will bring this reclamation to its seaward limit. The construction of about 700 feet of the sea wall to protect the reclamation at Kennedy Town was continued. The construction was completed of a length of about 2,700 feet of the rubble foundations for a sea wall to protect a reclamation of about forty acres at Kun Tong in Kowloon Bay.

ELECTRICAL WORKS.

16. Works completed were:—Telephone cables laid from No. 1 Police Station to Shaukiwan and between Kowloon-Canton Railway Station and Water Police Station; Automatic traffic signal and improved type of traffic control lights installed at Pedder Street and Magazine Gap Road; two police recall signals installed at Sha Tau Kok and Cheung Chau Police Station; Kowloon-Canton Railway Chinese Staff quarters A and B blocks rewired; one fifty-line telephone switch-board installed at Kowloon Railway Station and an underground lighting cable laid

between Goods Shed and Signal Cabin; forty-two telephones installed in various places; four telephones installed at Shing Mun Valley; twenty-six buildings in various places rewired; two S.W.B. 4b. Transmitters installed at Cape D'Aguilar W/T. Station.

17. In addition to minor works the usual maintenance of Wireless Stations, telephones, lights, fans, bells, lifts, ferry pier hoists, traffic lights, etc., was carried out. The installations were all maintained in good order.

BUILDINGS ORDINANCE OFFICE.

18. The volume of new building works coming under the jurisdiction of the Public Health and Buildings Ordinance shewed a considerable decline when compared with 1933, but the industry was nevertheless fairly actively engaged throughout the year on works mostly of small magnitude.

19. The total number of plans approved shewed only a small decrease but works were largely in the nature of alterations and additions to existing buildings. The number of new buildings included in such approvals were appreciably fewer.

20. Amongst the more important works for which plans were approved, the following may be noted:—New Hong Kong & Shanghai Bank on Queen's Road and Des Voeux Road, Central; Clinic and Health Centre on Johnston Road; new Chinese Methodist Church in Wanchai; extension to Soldiers & Sailors Home on Anton Street; extension to Messrs. Sincere Co.'s building on Connaught Road; new Headquarters for St. John Ambulance Brigade on Tai Hang Road; Confucius Hall on Caroline Hill Road; site development and Gas Holder at West Point; Repulse Bay Lido and development of Mount Cameron on Middle Gap and new Tai Hang Road as residential districts; reclamation and Gas Holder on To Kwa Wan Road; School and Church on Waterloo Road; site formation in Waterloo Road; Peiho Theatre in Peiho Street; Maryknoll Convent School on Waterloo Road and Boundary Street.

21. Buildings of importance completed were:—Hong Kong Stock Exchange Building in Ice House Street; Cheero Club in Queen's Road, Central; Kam Loong Restaurant in Des Voeux Road, Central; China Fleet Club on Praya East Reclamation; School of Surgery, Hong Kong University; Peel Engineering Laboratory on Pokfulam Road; St. Louis Industrial School on Queen's Road, West; National Lacquer and Paint Product Co.'s Factory on Shaukiwan Road; Commercial Press Ltd.'s Printing and Book Binding Factory on Shaukiwan Road; Alhambra Theatre on Nathan Road; Paint Factory in Arran Street and Canton Road; Book Factory in Pak Tai Street; Pastor's quarters at All Saints School in Hak Po Street; Extension to Chinese Y.M.C.A. in Waterloo Road; Lead Pencil Factory on Castle Peak Road.

22. Of the 280 Chinese tenement houses for which occupation permits were granted, it is of interest to note that thirty-two were erected on the Praya East Reclamation making a total to date on this area 1,005 houses. Forty houses of this type were erected in other localities in Hong Kong and 208 were erected in Kowloon and New Kowloon.

23. Occupation permits for eighty-five dwellings of European type were granted, of which twenty-eight were erected on the Island and fifty-seven in Kowloon District.

24. Mount Cameron, Middle Gap and new Tai Hang Roads are new residential districts proving very popular.

25. Buildings of non-domestic or commercial character completed shew an increase over the returns of the preceding year, but these, apart from the buildings noted in paragraph 21 were of a minor character.

26. The number of Water Flushed Sanitary appliances approved amounted to 1403.

27. Twenty-four fires were reported. The most disastrous was that caused by the ignition of escaping gas from a large Gas Holder in the Hong Kong Gas Co.'s premises at West Point on the 14th May. The following houses were involved:—Nos. 13—17 Chung Shing Street; Nos. 1—12 Clarence Terrace and No. 1A Yu On Terrace. Of these houses, Nos. 2, 4 and 8 Clarence Terrace were completely gutted, while the remainder were all more or less seriously affected. A great number of lives were lost and many person were injured.

28. Eleven fires occurred in Chinese tenement houses of non fire-resisting floors and staircases; in nearly every case the houses were gutted—casualties amounted to four.

29. Six fires occured in Chinese tenement houses of fire-resisting construction and in almost every case the fire was confined to the single storey in which it originated.

30. The value of R.C.C. construction in preventing the spread of fire has been amply demonstrated and the security afforded to occupants by concrete stairs with alternative exists, marks a definite step forward in this class of property.

31. Reclamation of I.L. 2918 was completed and work on I.Ls. 3538, 3539 and 3540 remain in progress. An area of approximately 207,000 square feet is embraced in the above. Reclamation work on Kowloon Marine Lot 102 continues, the total area involved being about 200,000 square feet.

32. Minor landslides occurred as a result of heavy rains. They were not of a serious nature nor were there any casualties.

33. The Chinese Cemeteries in Hong Kong and Kowloon were maintained in good order and, where required, provision was made for additional burial areas.

Chapter XIII.

JUSTICE AND POLICE.

I. THE COURTS OF HONG KONG.

The Supreme Court of Hong Kong consists of a Chief Justice and one or more other judges. At present there is one other judge.

2. The jurisdiction of the Court is regulated by a number of Ordinances but generally it may be said that the Court exercises a Summary Jurisdiction in all actions where the claim does not exceed $1,000 and an Original Jurisdiction in all actions where the claim exceeds that amount.

3. In addition to the above the Court exercises Admiralty, Probate, Divorce, Bankruptcy, Lunacy, Criminal and Appellate Jurisdiction.

4. The following is a brief summary of litigation and matters dealt with during the year 1934:—

2,781 actions were instituted in the Summary Jurisdiction and the amounts for which judgment was given totalled $477,428.

417 actions were instituted in the Original Jurisdiction and the amounts for which judgment was given totalled $2,772,364.

11 actions were instituted in the Admiralty Jurisdiction.

442 grants were made or grants of other courts sealed in the Probate Jurisdiction.

135 persons were indicted in the Criminal Jurisdiction of whom 98 were convicted.

10 appeals were lodged in the Appellate Jurisdiction 8 of which were disposed of during the year.

5. The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

6. The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, two for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates.

7. The following figures show the amount of work done by the lower courts in 1934:—

Civil:—

District Officer North,		
Land Court	76	cases.
Small Debts Court	205	,,
District Officer, South,		
Land Court	186	cases.
Small Debts Court	62	,,

Criminal:—

Hong Kong Magistracy, two courts	32,597	cases.
Kowloon Magistracy, two courts	21,220	,,
District Officer, North, one court	1,451	,,
District Officer, South, one court	521	,,

II. THE POLICE.

8. The Police Force of the Colony is under the control of the Inspector General of Police who is assisted by one Deputy Inspector General and twelve Superintendents. The force consists of four Contingents, European, Indian, and two Chinese, viz., Cantonese and Weihaiwei. The strength of the different Contingents is as follows:—

Europeans	256
Indians	741
Chinese (Cantonese)	655
Chinese (Weihaiwei)	295

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of thirty-five Russians and twenty-seven Indian Guards including three Sergeants together with four European Sergeants and ninety-six Wei-hai-wei Chinese Constables, who are included in Police Strength. The Anti-Piracy Guards are employed and paid for by the Shipping Companies for service in the China Seas.

9. Further, the department supervises 1,146 Indian and Chinese Watchmen who are engaged by the Police Department and paid by private individuals for protection of private property.

10. The waters of the Colony are policed by a fleet of ten steam launches and four motor boats which employ a staff of two hundred and forty-five Chinese under European officers.

11. There were 5,549 serious cases of crime in 1934, as against 5,630 in 1933, a decrease of 81 cases or 1.4%. There was a decrease of ten cases in Coinage offences, 20 in Embezzlement, 14 in House and godown breaking, six in Kidnapping and 81 in Larceny from Dwellings. There were 27,733 minor cases during 1934 as against 25,659 in 1933, an increase of 2,074 or 8%:

III. PRISONS.

12. There are three prisons in the Colony. Victoria Gaol in Hong Kong is the main prison for males. This prison is built on the separate system, but segregation is difficult owing to lack of space and accommodation. It contains cell accommodation for 644 only and prisoners are often kept in association through unavoidable overcrowding. There is a branch male prison at Lai Chi Kok near Kowloon, with accommodation for 680 prisoners. In this establishment all the prisoners sleep in association wards and only selected prisoners are sent there as the prison was not originally built as such. It was converted from a Quarantine Station in 1920, for temporary use pending the building of a new prison. The third prison is the prison for females situated near the male prison at Lai Chi Kok. A new general prison at Stanley, Hong Kong, is in course of construction.

13. The total number of persons committed to prison in the year 1934 was 13,304 as compared with 11,439 in 1933. The daily average number of prisoners in the prisons in 1934 was 1,610. The highest previous average was 1,472 in 1933. Over 90% of prisoners admitted are persons born outside the Colony.

14. The health of the prisoners generally was well maintained in the prisons.

15. The discipline in all three prisons was good.

16. Prisoners are employed at printing, bookbinding, shoemaking, tinsmithing, matmaking, tailoring, carpentering, weaving, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of the Government printing and bookbinding is done in Victoria Gaol.

17. During the year 242 boys underwent sentences of detention for various crimes at the Remand Home for Juveniles (Boys). The Remand Home for Girls, which is under the management of the Salvation Army, was opened at the end of September. Fourteen girls underwent detention. The boys are given instruction in elementary reading and writing, as well as in rattan work, which teaches them a trade. The girls are given employment in house-work, laundry, and making and mending clothes. There are recreation facilities at both Homes.

There are also three Probationer Officers, two males and one female.

18. Lady visitors attend the Female Prison twice weekly to instruct long sentence prisoners in needle work.

19. Visiting Justices inspect and report on the prisons every fortnight.

Chapter XIV.

LEGISLATION.

Forty-one Ordinances were passed during the year 1934. These and also the Regulations, Rules, By-laws and other subsidiary legislative enactments are published in a separate volume by the Government Printers. The forty-one Ordinances comprised two appropriation, four replacement, three incorporation, one consolidation, twenty-seven amendment, and four which were new to the Colony.

2. The Appropriation Ordinance (No. 29) applied a sum not exceeding $26,404,219 to the public service for the year 1935, and Ordinance No. 16 appropriated a supplementary sum of $27,243.67 to defray the charges of the year 1933.

3. Of the four replacement Ordinances:—

The Registration of Persons Ordinance (No. 3) applies with specified exceptions to non-Chinese aliens. It replaced two Ordinances (The Travellers Restriction Ordinance, 1915, and the Registration of Persons Ordinance, 1916) which were passed during the war and which, though still law, were not strictly enforced in recent years. The Immigration and Passports Ordinance (No. 8) enacted new provisions derived mainly from the Straits Settlements Passengers Restriction Ordinance, No. 169, as amended to 1932, and from the existing Passport Regulations of this Colony, in place of the power of regulating the admission of persons into the Colony delegated to the Governor in Council by the Passports Ordinance, 1923, which it replaced. The Trustee Ordinance (No. 18), based on the Trustee Act, 1925, replaced the Trustees Ordinance, and the Cremation Ordinance (No. 40) replaced the Cremation Ordinance, 1914.

4. Ordinance No. 10 incorporated the Trustees of the China Fleet Club, Ordinance No. 20 incorporated the Regional Superior in Hong Kong of the Foreign Mission Sisters of St. Dominic commonly knows as Maryknoll Sisters, and Ordinance No. 39 incorporated a Body of Trustees capable of holding property and empowered to administer a trust fund known as the Morrison Scholarships Trust Fund for the purpose of providing scholarships at Queen's College in this Colony. These Ordinances followed the usual lines in such cases.

5. The Births and Deaths Registration Ordinance (No. 21) consolidated and to some extent amended the law on this subject.

6. The Ordinances new to the Colony were the Hong Kong Dollar Loan Ordinance (No. 11), which empowered the Governor to raise a loan of $25,000,000 in bearer bonds at 3½ per cent interest for various public works, the Colonial (Bahamas and Leeward Islands) Light Dues Ordinance (No. 15) which implemented an Order of His Majesty in Council dated the 17th December, 1931, under section 670 of the Merchant Shipping Act, 1894, by providing for levying in Hong Kong colonial light dues in respect of twelve lighthouses and a buoy on or near the coasts mentioned, hitherto maintained mainly from light dues collected in Great Britain, Northern Ireland and the Irish Free State, the Government House and City Development Scheme Ordinance (No. 30), and the Sand Ordinance (No. 41).

7. The twenty seven amending Ordinances covered a wide range of subjects, viz: Commissioners Powers (No. 1), Merchandise Marks (Nos. 2 and 38), Sunday Cargo Working (No. 4), Railways (Nos. 5 and 35), Merchant Shipping (Nos. 6 and 25), Opium (No. 7), Miscellaneous Licences (No. 9), Pensions (No. 12), Marriage (No. 13), Protection of Women and Girls (No. 14), Summary Offences (No. 17), Crown Counsel's Fees (No. 19), Coroner's Abolition (No. 22), Jury (No. 23), Official Signatures Fees (No. 24), Betting Duty (No. 26), Supreme Court (No. 27), Printers and Publishers (No. 28), Empire Preference (No. 31), Estate Duty (No. 32), Evidence (No. 33), Dangerous Goods (No. 34), Police Force (No. 36), and Criminal Procedure (No. 37).

8. Similarly, the subsidiary legislation covered a wide range of subjects, including Supreme Court rules, Marriage, Merchandise Marks, Merchant Shipping, Public Health and Buildings, Waterworks, Vehicles and Traffic Regulation, Ferries, Places of Public Estertainment Regulation, Post Office, Printers and Publishers, Bankruptcy rules, Liquors, Tobacco and Pensions.

Chapter XV.

PUBLIC FINANCE & TAXATION.

The following tables show the Revenue and Expenditure for the five years 1930 to 1934 inclusive.

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit.*
1930	$27,818,473	$28,119,646	—	$301,173
1931	33,146,724	31,160,774	1,985,950	—
1932	33,549,716	32,050,283	1,499,433	—
1933	32,099,278	31,122,715	976,563	—
1934	29,574,286	31,149,156	—	1,574,870

2. The revenue for the year 1934 amounted to $29,574,286 being $2,157,339 less than estimated and $2,524,992 less than the revenue obtained in 1933.

3. Duties on imported liquor and tobacco were less than estimated as they are on a sterling basis and were reckoned on an exchange rate of $1 = 1/3 whereas the average rate throughout the year was over 1/6$\frac{1}{16}$. Assessed Taxes fell short of estimates by $96,771 due to vacant tenements and large shortfalls were shown by the Opium Monopoly of $644,932 and in Stamp Duties of $282,583. A shortfall amounting to $116,393 was shown under Water Excess and Meter Rents due to 10% rebate allowed from 1st April and 15% rebate allowed from 1st September. Land Sales were less than estimated to the extent of $641,507.

4. The expenditure for the year 1934 amounted to $31,149,156 being $2,293,539 less than estimated and $26,441 more than the expenditure in 1933.

5. Ordinary expenditure amounted to $27,364,990, Public Works Extraordinary to $3,784,166. Large Savings were made under Personal Emoluments when compared with the estimates, provision being made for $12,955,767 but only $11,213,115 was expended. By far the greater part of the saving is due to the rise in the sterling value of the dollar. Under Other Charges savings were also effected, the total provision being $4,871,357 against $4,294,183 expended. For the first time for many years Public Works Extraordinary exceeded the original estimates. By a resolution of Council dated the 26th July 1934 an extra sum of $752,000 was placed at the disposal of the Director of Public Works to be spent on a variety of Services.

6. *Debt.*—The Inscribed Stock Loans of 1893 and 1906 amounting to £1,485,733 were redeemed on the 15th October. The 4% conversion loan raised in 1933 amounted to $4,838,000 and the Sinking Fund established in 1934 amounted at 31st December 1934 to £12,311.2.1. In July 1934 a 3½% dollar loan was raised to finance certain public works and to redeem a portion of the Sterling inscribed stock. Bonds to the amount of $14,000,000 were issued at 99% producing $13,860,000. The loan bears 3½% interest and is redeemable by drawings at par in each of the twenty five years commencing in 1935 at the annual rate of one twenty fifth of such issue. Ordinance No 11 of 1934 governs this issue and authorises the Governor to borrow up to a total of $25,000,000. The total public debt of the Colony on 31st December 1934 amounted to $18,838,000 equal to about 8 months revenue as things are at present.

7. The Assets and Liabilities of the Colony on the 31st December, 1934, are shown in the following statement:—

LIABILITIES.	$ c.	ASSETS.	$ c.
DEPOSITS:—		ADVANCES:—	
Contractors and Officers Deposits..	521,085.50	Purchase of three Locomotives for Chinese Section Kowloon Canton Railway..............	147,468.26
Suitors Fund	43,638.29		
Insurance Companies	1,762,946.51	Miscellaneous	237,642.32
Miscellaneous Deposits	2,176,481.29	Building Loans.........	738,250.94
		Imprest Account	9,476.27
House Service Account	23,614.27	Subsidiary Coin	1,261,981.10
Government House and City Development Fund	1,218,741.28	Trade Loan Outstanding	553,500.50
		Unallocated Stores, (P.W.D.)	573,052.47
Suspense Account ...	975,589.24	Unallocated Stores, (Railway)	170,372.02
Exchange Adjustment	28,038.16	Dollar Loan Account...	217,067.30
Trade Loan Reserve..	1,073,017.94	Cash Balance:—	
		Crown Agents	15,762.01
		Treasurer	2,334,087.55
Praya East Reclamation	112,175.27	*Joint Colonial Fund	2,913,103.46
Coal Account	2,092.09	Fixed Deposits:— General ...$8,800,000.00	
Total Liabilities..	7,937,419.84	Insurance Companies 1,762,946.51	
Excess of Assets over Liabilities....	12,248,755.24	Miscellaneous 451,464.37	11,014,410.88
Total.........$	20,186,175.08	Total.........$	20,186,175.08

*Joint Colonial Fund £242,000. 0*s*. 0*d*.

8. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of $6,603,229 being collected in 1934. This represents 22.32% of the total revenue

or 22.76% of the revenue exclusive of land sales. The rates vary from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues and Buoy Dues brought in the sum of $565,457.69.

9. Duties on intoxicating liquors realized $1,973,845, tobacco $2,953,834, postage stamps and message fees $1,829,298. A considerable sum is also derived from the opium monopoly, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realized $558,473. The receipts of the Kowloon-Canton Railway which was completed in 1910 amounted to $1,639,775.

10. *Customs Tariff.*—There is an import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

11. The duties on imported liquor range from $0.60 per gallon on beer to $1.20 on Chinese liquor and to $10 on sparkling European wines. The duties are collected on a sterling basis the conventional dollars in the tariff being converted at a rate which is varied from time to time according to the market rate of exchange between the local dollar and sterling. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

12. The duties on tobacco range from $0.63 per lb. on the lowest taxed unmanufactured tobacco to $2 per lb. on cigars. The duties are collected on a sterling basis in the same manner as the liquor duties.

13. A duty of 25 cents per gallon is payable on all light oils imported into the Colony.

14. *Excise and Stamp Duties.*—The same duty is imposed on liquors (mainly Chinese type) manufactured in the Colony as on imported liquors, but prior to March 1935 was not payable on a sterling basis.

15. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly *ad valorem*. The following are examples of the duties charged:—Affidavits, Statutory Declaration, etc., $3; Bills of Exchange (inward) and

Cheques, 10 cents; Bills of Lading, 15 cents when freight under $5. 40 cents when freight $5 or over; Bond to secure the payment or repayment of money, 20 cents for every $100 or part thereof; Conveyance on sale, $1 for every $100 or part thereof; Mortgages, principal security, 20 cents for every $100 or part thereof; Life Insurance Policy, 25 cents for every $1,000 insured; Receipt, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

16. No Hut Tax or Poll Tax is imposed in the Colony.

D. W. TRATMAN,
Colonial Secretary.

Appendix.

LIST OF PUBLICATIONS OF GENERAL INTEREST RELATING TO HONG KONG.

Title	Price	Agents for sale
	$	
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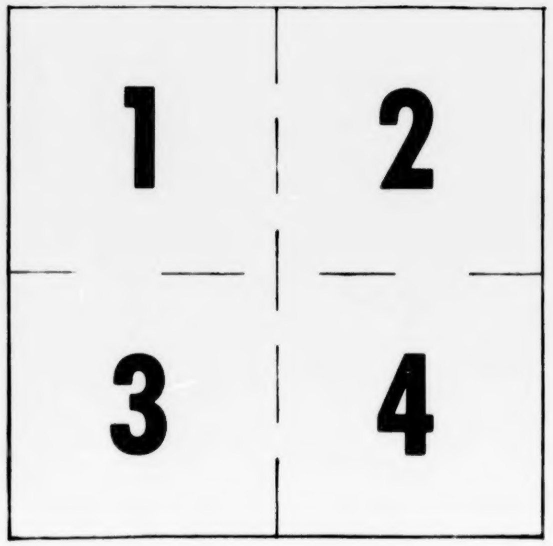
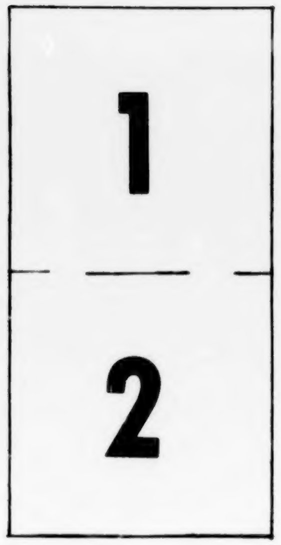
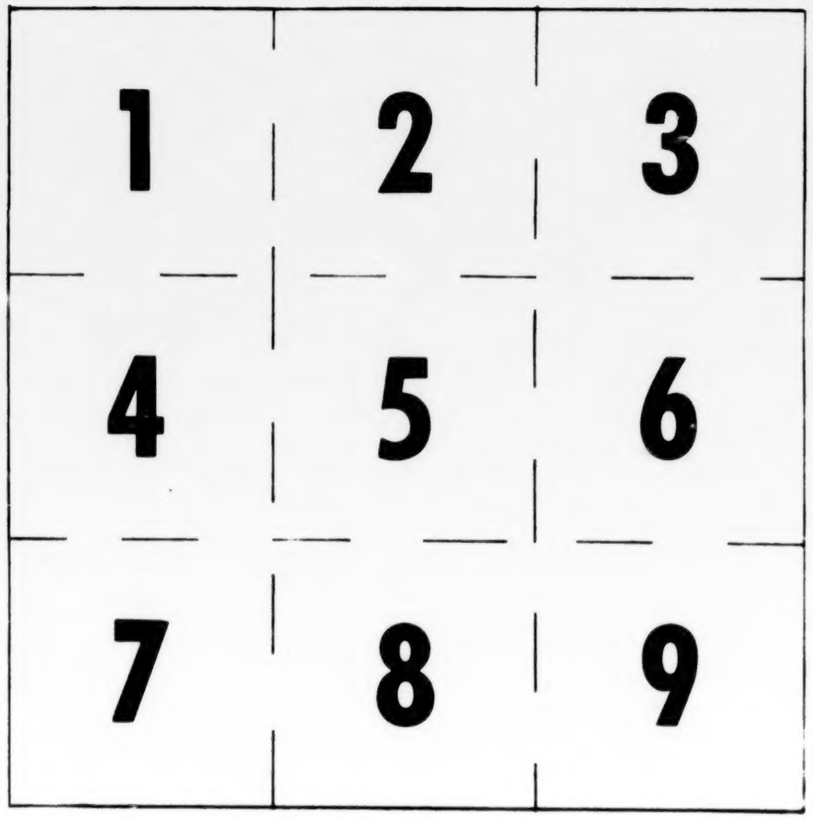
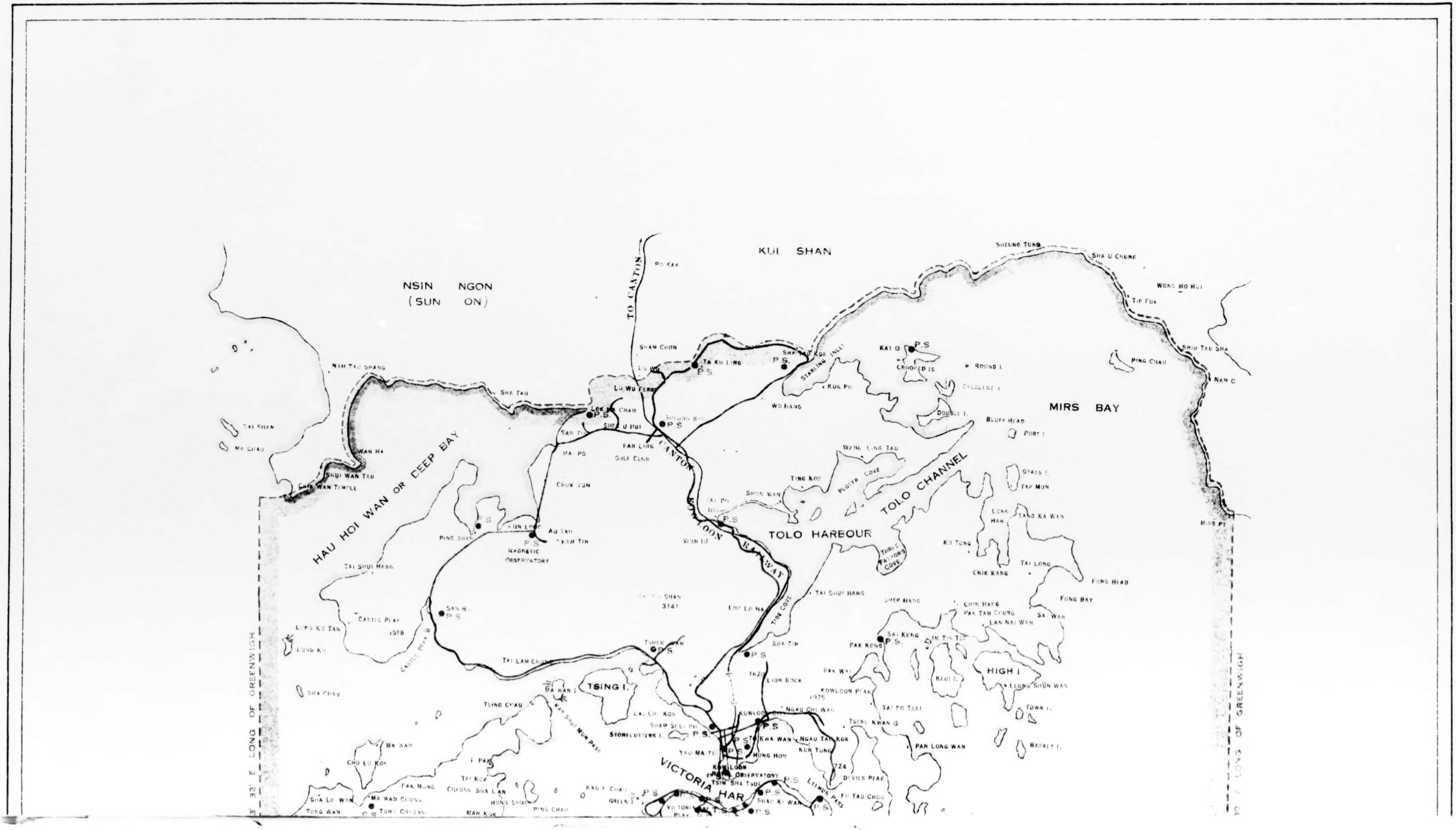






MAP OF HONG KONG AND NEW TERRITORIES.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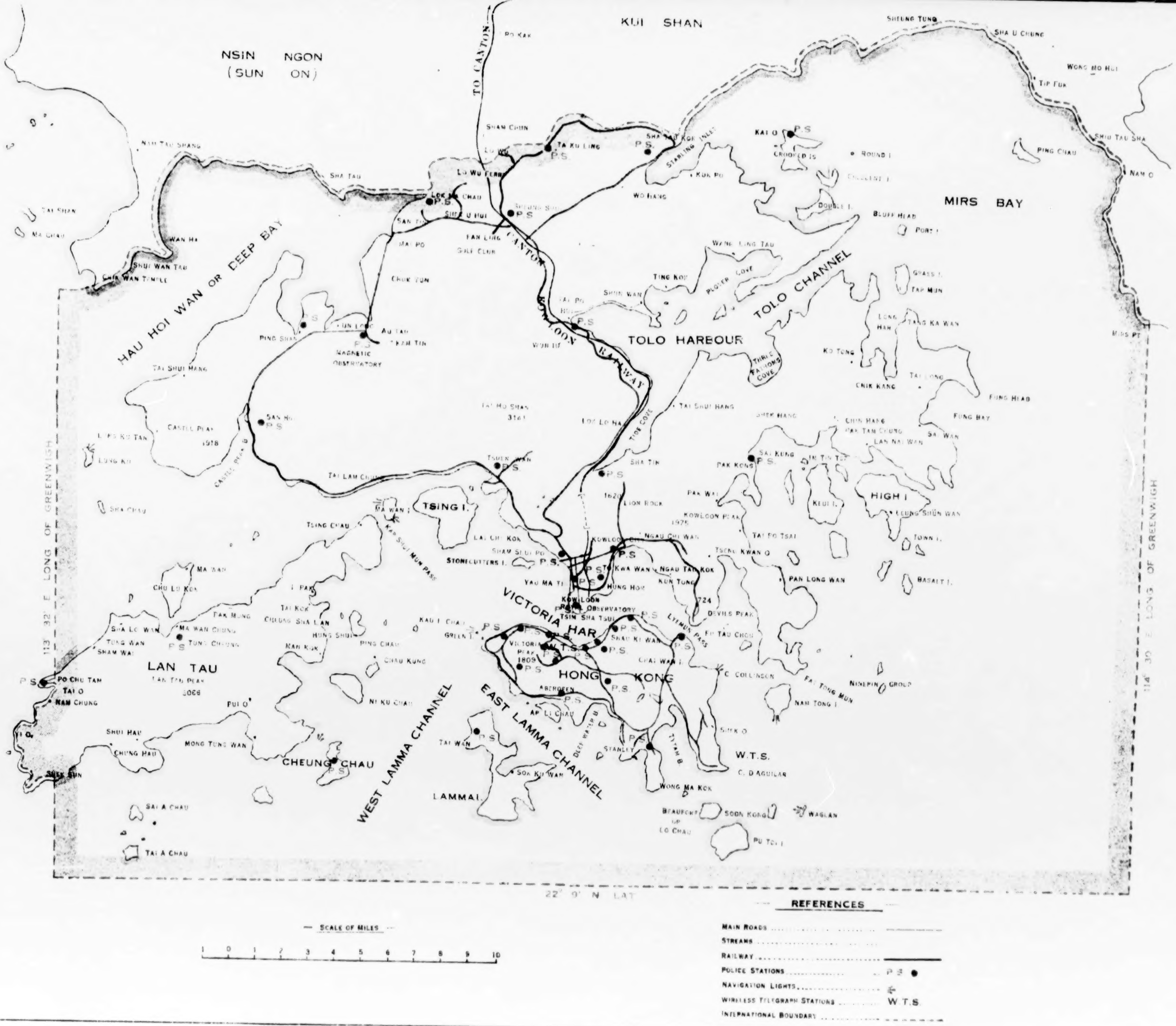
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Chapter I.

GEOGRAPHY, INCLUDING CLIMATE AND HISTORY.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area 32 square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

2. The island of Hong Kong was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in July, 1898, the area known as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The total area of the Colony including the New Territories is about 390 square miles.

3. The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya and elsewhere. It is also the natural distributing centre for imports into China from abroad.

4. The Colony is not primarily a manufacturing centre, the most important of its industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings. Sugar refining and cement manufacture are also major industries, and in recent years considerable quantities of knitted goods, electric torches and batteries, and rubber shoes have been produced and exported.

5. The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95° F. or falls below 40° F. The average rainfall is 85.16 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere is often very high, at times exceeding 95% with an average over the whole year of 79%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

6. The rainfall for 1935 was 71.32 inches. The mean temperature of the air was 72.4° against an average of 71.9°. The maximum gust velocity of the wind was at the rate of 63 m.p.h. from E.N.E. on October 7th.

7. The Colony's celebrations on the occasion of the Silver Jubilee of the reign of His late Majesty King George V were held in May 6th, 7th and 8th and were marked by demonstrations of enthusiasm and loyalty on the part of all sections of the community. Among the features of the celebrations were dragon and lantern processions organised by the Chinese community. It is estimated that about 200,000 persons, mostly from the neighbouring districts in China, visited the Colony for the purpose of witnessing or taking part in the festivities.

8. By the end of August 1935 the Shing Mun Dam was in a position to store 500 million gallons of water, and on September 2nd, Sir Thomas Southorn, K.B.E., C.M.G., then Officer Administering the Government, inaugurated the impounding of water in the reservoir at a brief ceremony.

9. Mr. N. L. Smith, then Officer Administering the Government, officially opened the new Hong Kong & Shanghai Bank building on 10th October, 1935.

This imposing building consists of a central tower of fourteen storeys, 217 feet in height, and a main block of seven storeys, 103 feet in height.

10. The Commission appointed in 1934 under the Chairmanship of Mr. M. J. Breen "to enquire into the causes and make recommendations for the amelioration of the existing position and for the improvement of the trade of the Colony" presented its report on 16th February 1935. The report was published on 18th April, 1935, as Sessional Paper No. 3 of 1935.

11. His Excellency Sir Andrew Caldecott, Kt., C.M.G., C.B.E., arrived in the Colony on 12th December, 1935, to assume office as Governor and Commander-in-Chief in succession to Sir William Peel, K.C.M.G., K.B.E., who left the Colony on 17th May, 1935, and retired on 2nd December.

12. His Excellency Major-General A. W. Bartholomew, C.B., C.M.G., C.B.E., D.S.O., arrived in the Colony on 12th December, 1935, to assume command of the British troops in China in succession to Lieut.-General O. C. Borrett, C.B., C.M.G., C.B.E., D.S.O.

13. Among the Honours conferred by His Majesty during the course of the year were:—

Knight Bachelor, Sir Atholl MacGregor, K.C.

C.B.E., The Hon. Dr. Ts'o Seen Wan.

O.B.E., (Civil Division), Lady Southorn, The Hon. Mr. J. P. Braga, Mr. J. W. Franks.

O.B.E., (Military Division), Lieut.-Col. G. D. R. Black, M.D.

M.B.E., Mr. J. L. MacPherson.

I.S.O., Mr. A. M. de Sousa.

Chapter II.

GOVERNMENT.

The Government is administered under Letters Patent of 14th February, 1917, and Royal Instructions of the same and subsequent dates, by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, all of whom are members ex-officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are also members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are the Inspector General of Police, the Harbour Master, and the Director of Medical and Sanitary Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council.

2. The Sanitary Board composed of four official and six unofficial members had up to the end of 1935, when its place was taken by the Urban Council (Vide chap. xiv, para. 3) power to make by-laws under the Public Health and Buildings Ordinance in matters appertaining to public health, subject to an overriding power in the Legislative Council.

3. There are a number of advisory boards and committees, such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board, etc., composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

4. The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

5. The daily administration is carried out by the twenty-eight Government departments, all officers of which are members of the Civil Service. The most important of the purely administrative departments are the Secretariat, Treasury, Secretariat for Chinese Affairs, Post Office, Harbour, and the Imports and Exports, Police, and Prisons departments. There are seven legal departments, including the Supreme Court and the Magistracies. Two departments, Medical and Sanitary, deal with public health; one, Education, with education; and one, the largest of all the Government departments, Public Works, is concerned with roads, buildings, waterworks, piers and analogous matters.

6. There have been no changes in the system of Government in the year under review.

Chapter III.

POPULATION AND BIRTHS AND DEATHS.

Variation in population in Hong Kong is more dependent on immigration and emigration than on births and deaths. Movements to and from the Colony are influenced by events in China and owing to the large numbers who come and go daily it is impossible to give more than a very rough estimate of the actual population, except during census years.

2. The following table shows the estimated population for the Colony for the middle of 1935.

Non-Chinese (mostly resident in Victoria and Kowloon)	21,370
Chinese in Victoria	377,659
Chinese in Hong Kong Villages	48,832
Chinese in Kowloon and New Kowloon	314,204
Chinese in junks and sampans	100,000
Chinese in New Territories	104,276
Total	966,341

3. During the year 3,347,473 persons entered and 3,412,020 persons left the Colony, making a daily average of 9,171 arrivals and 9,348 departures. The daily average for 1934 was 7,641 arrivals and 7,702 departures.

4. Since 1932 registration of Births and Deaths in the New Territories has been more and more fully enforced. The introduction of the new Births and Deaths Ordinance in the latter half of 1934 by improving facilities for registration on the one hand and checking on the other brought about an appreciable increase in registrations. This was particularly noticeable in the New Territories where the births registered were 3,810 as compared to 587 in 1932.

5. The number of births registered was:—

	1934	*1935*
Chinese	20,424	24,510
Non-Chinese	462	527
Total	20,886	25,037

6. The deaths registered among the civil population number 22,133 giving a crude death rate of 22.90 per mille as compared with 20.93 for the previous year.

	Deaths.	*Estimated Population.*	*Death rate per mille population.*
Non-Chinese	220	21,370	10.25
Chinese	21,913	944,971	23.19

There were 26 deaths among H.M. Forces during the year.

7. The number of deaths of infants under one year was Chinese 7,754, Non-Chinese 30. If the figures for Chinese births represented the total births, which they do not, the infantile mortality figure for the Chinese would be 316.36 as compared with 347.34 in the previous year. The infantile mortality figure among non-Chinese was 56.92 as compared with 49.78 in 1934.

Chapter IV.

PUBLIC HEALTH.

In the absence of some general system of registration of sickness, the only sources of information available for gauging the state of the public health in this Colony are the returns relating to deaths, the notifications of infectious diseases and the records of Government and Chinese hospitals. Judging from the death returns the health of the Colony was not quite so good as that of the previous year. The crude death rate was 22.90 per mille as compared with 20.93 for 1934.

2. Respiratory diseases accounted for 41.62 per cent of the total deaths, the percentage for 1934 was 39.97. The principal diseases causing death were broncho-pneumonia, pulmonary tuberculosis, bronchitis, infantile diarrhoea and diarrhoea. The overcrowded houses, the expectorating habits of the people, and poverty furnish sufficient explanation for the prevalence of respiratory troubles.

3. *Pulmonary Tuberculosis.*—This disease continues to rank second to broncho-pneumonia as the principal cause of death. It is probable that some of the cases of the latter were of tuberculous origin. The total number of deaths was 2,237; that for 1934 was 2,179. The death rate per mille was the same as for the previous year *i.e.* 2.31.

4. There is need for more hospital or infirmary accommodation for tuberculosis patients, especially for those of the poorer classes.

5. *Malaria.*—Owing to efficient drainage methods this disease has disappeared from the greater part of the urban districts. It still persists, however, in the suburbs and in the rural areas. There are parts of the New Territories where the spleen rate is as high as 41 per cent.

6. Malaria not being a notifiable disease the incidence figures are unknown. The cases admitted to the Government Hospitals numbered 577 as compared to 457 in the previous year. The percentage of deaths to cases admitted was 0.86%. Among the Chinese Hospitals there were 811 admissions with a case mortality rate of 19.35 per cent.

7. The total number of deaths attributed to this disease was 400, giving a death rate of 0.41 per mille over the whole population. The low death rate is, of course, due to the fact that the great bulk of the population residing in the drained urban area is not subject to risks of infection. If figures for local districts were available it would be found that in some areas the incidence and death rates were very considerable.

8. During the year the Malaria Bureau continued its investigations into the life history, habits and carry powers of the local anophelines. The results obtained were both interesting and instructive. As in previous years there was no obstruction from the local Chinese, on the contrary they took an interest in the proceedings and showed their eagerness to be of assistance. The Chinese Inspectors have shown ability and zeal.

9. The Bureau co-operated with the military authorities, the Royal Air Force, the Sanitary Department, the Public Works Department and the construction engineers at the Shing Mun Dam.

The cause of the swarms of mosquitoes which each spring made the lives of the Peak residents a burden was discovered and dealt with resulting in a complete disappearance of the nuisance.

At the Shing Mun Dam construction works where more than 2,000 labourers were employed the casualty rate from malaria continued to remain at a very low figure. The daily average percentage of workers off duty from sickness was less than five.

INFECTIOUS DISEASES.

10. During the year there were reported 61 cases of smallpox, 110 cases of cerebro-spinal fever, 266 cases of diphtheria and 319 cases of enteric. There were no cholera cases.

11. *Smallpox.*—Every year in the cold season this disease manifests itself in outbreaks which are sometimes sporadic, sometimes epidemic. Whatever the prevalence there is always a tendency for the morbidity rate to decline or disappear with the advent of summer. In the year under review there were 61 cases and 44 deaths as compared with 153 and 104 respectively in 1934. 18 cases only were treated in hospital; the remainder did not come under the notice of the authorities until after death.

12. The vaccination campaign was continued and during the year 325,809 persons were vaccinated. Valuable assistance was afforded by the St. John Ambulance Brigade and by the Chinese Public Dispensaries. Both bodies engaged in active propaganda and through their efforts many were persuaded who otherwise would have kept aloof. The various sections of the Brigade again carried out street vaccination with excellent results.

13. The Chinese have a preference for vaccination being done in the spring, which they regard as the most auspicious season. For a month or two after Chinese New Year the Chinese Public Dispensaries are crowded with children waiting to be vaccinated.

14. Many Chinese still hold the opinion that the herbalist treatment of smallpox gives better results than the methods adopted by practitioners qualified in Western medicine. An analysis of the statistics of (*a*) the Tung Wah Infectious Diseases Hospital where only herbalist treatment is carried out, and (*b*) the Government Infectious Diseases Hospital where western treatment only is provided shows that this view is not correct.

Calculating on the figures for the last 25 years the case death rate at the Tung Wah was 47.2 per cent while that at the Government institution was 15.25 per cent.

15. *Plague.*—For the last six years no cases of plague have been reported in Hong Kong. The disappearance of this disease not only from this Colony but from the greater part of China and its decline throughout the world are due to factors which are not understood.

16. Systematic rat-catching and periodical cleansing of houses were carried out throughout the year. The total number of rats collected was 192,251 of which 21,820 were taken alive, as compared with 175,687 and 21,976 in 1934. The number collected each year shows that there is no diminution in the rat population. All the rats collected were sent to the Public Mortuary for examination. None was found infected.

17. *Cerebro-spinal Fever.*— Altogether 110 cases were reported with 54 deaths. No special foci of infection were discovered and few instances where one could trace the source of infection. The cases were treated in the general hospitals without any instance of spread of infection. Sera manufactured at the Bacteriological Institute were used therapeutically.

18. *Diphtheria.*—With regard to diphtheria there is little to be said. The cases were sporadic and the sources of infection were seldom discovered. 266 cases were reported as compared with 162 in 1934.

19. *Enteric.*—What has been said of diphtheria applies to enteric. The incubation period being so long and the possible sources of infection so numerous there is little chance of tracing in any cases the source of infection. 319 cases were reported as compared with 212 in 1934.

20. *Leprosy.*—The Committee appointed in 1934 by His Excellency the Governor under the Chairmanship of the Secretary for Chinese Affairs to enquire into the incidence of Leprosy in the Colony and to suggest methods of dealing with lepers presented its report in January and as a result a new lepers Ordinance (Ordinance No. 25 of 1935) was enacted and passed on the 13th of June.

Prior to 1935 there was no place set apart in the Colony for use as a leper settlement. In May of 1935, however, temporary arrangements were made whereby lepers could be admitted to the Tung Wah Infectious Diseases Hospital at Kennedy Town. They are fed by the Tung Wah Hospital Committee at Government expense and treated by a Government Medical Officer.

21. *Rabies.*—Ten cases of this disease were reported during the year. Three cases occurred in humans, one in a mule, the remainder in dogs. The disease was confined to Kowloon, and the last case was reported in August.

Two of the human cases had been treated with anti-rabic vaccine before the appearance of symptoms. All three were fatal.

THE DUMPING OF THE DEAD.

22. The number of bodies reported by the police as dumped was 1,038 as compared with 1,056 in 1934. In an endeavour to stop this practice chambers for the deposit of corpses have been established at all the Chinese Public Dispensaries. In some cases the top of the table is so arranged that the weight of a body on it closes an electric circuit which rings a bell in the caretaker's room. So far the chambers have not been an unqualified success and dumping in the street at night continues.

HOSPITALS.

23. *The Government Civil Hospital.*—The Hospital consists of three blocks and contains 225 beds in 23 wards. About one half the accommodation has been placed under the care of the clinical professors of the University who have been gazetted respectively Surgeon, Physician and Obstetric Physician to the Hospital.

The number of inpatients in 1935 was 5,047 as compared with 5,063 in the previous year.

24. Attendances at the general clinics for outpatients numbered 50,685 as compared with 48,166 in the previous year. In addition there were 55,750 attendances at clinics for special subjects such as those in connection with children's diseases, opthalmology, ear, nose and throat work, venereal diseases etc. Much of the work connected with outpatients was done by the University staff.

25. Attached to the hospital is a Maternity Hospital of 21 beds. There were 1,056 cases in 1935 and 954 in 1934. With the exception of 193 cases attended by the Government Medical Officers all the cases were under the care of the University Professor and his assistants.

26. *Mental Hospital.*—Situated close to the Government Civil Hospital is the Mental Hospital which is under the direction of the Medical Officer in charge of the Government Civil Hospital. There are separate divisions for European and Chinese. The European section contains 14 beds and the Chinese section 18 beds. This hospital is mainly only a temporary abode for mental

cases, those of Chinese nationality being sent to Canton, and those of other nationalities repatriated to their respective countries. There were 350 cases in 1935 and 344 in 1934. The daily average number of patients for 1935 was 50.3.

27. *Government Infectious Diseases Hospital.*—This hospital situated on the Western outskirts of the City of Victoria is the only Government Institution of its kind for the whole Colony. Formerly a Police Station it contains only 26 beds. One case only was admitted in 1935 as compared with 8 cases in 1934.

28. *Kowloon Hospital.*—The accommodation at this hospital, which is situated on the Mainland, is 131 beds. It consists of four two storied blocks, one of which is reserved for Maternity cases.

The opening of the Maternity Block in 1934 filled a long felt want as there was no provision on the mainland for European women. Private patients may be attended by their own doctor if they so desire. During the year 657 patients were admitted.

The number of inpatients in 1935 was 3,077 as compared with 2,536 in 1934.

The new Out-Patients Department situated at the Main Gate was opened on 11th March 1935.

The total attendances at the Out-Patient Department numbered 54,194 (32,311 in 1934); of these 23,053 were new cases; 14,143 were old cases. The remaining 16,998 were dressings.

29. *Victoria Hospital.*—Situated on the Peak, this hospital overlooks the city of Victoria and has a clear view across the harbour of the territory on the mainland.

There are 46 beds in the General Block and 26 in the Maternity Block. There is an entirely separate staff for each building.

During 1935, 490 cases were treated, 424 in the General Block and 66 in the Maternity Block; the number in 1934 being 430, made up of 359 General and 71 Maternity cases. Maternity patients may be attended by their own doctor if they so desire.

A few outpatients attend at this Hospital each morning between 9-10.30 a.m.

30. *Tsan Yuk Hospital.*—This Maternity Hospital was formerly part of the organisation financed and managed by the Chinese Public Dispensaries Committee and was handed over to Government as a free gift on 1st January, 1934.

The care of the patients is under the general supervision of the University Professor of Obstetrics who is also a Government Consultant. The University Medical students receive training there.

There are 60 beds, of which 46 are reserved for maternity cases and 14 for gynaecological cases.

During the year 1,541 cases were admitted to the Maternity section and 197 to the Gynaecological sections, a total of 1,738 admissions.

In the out-patients department, 5,250 people attended during the year. Separate Gynaecological, Infant Welfare, Venereal Diseases, and Anti-Natal Clinics were held in which 1,334, 2,565, 1,062 and 289 cases respectively were treated or advised.

31. *The Chinese Hospitals.*—Tung Wah, Tung Wah Eastern Kwong Wah—are hospitals which are maintained by the Tung Wah Charity Organisation, a purely Chinese body. These institutions, which are assisted by Government, are under inspection by the Government Medical Department. Each has as its Medical Superintendent a Chinese Medical Officer who is paid by Government. The Medical staff consists of Chinese Medical Officers, qualified in Western Medicine, and Chinese Herbalists.

The patient is given his choice of treatment.

HOSPITAL.	No. of beds.	No. treated in 1935.		No. treated in 1934.	
		Western Medicine	Chinese Herbalist Medicine	Western Medicine	Chinese Herbalist Medicine
Tung Wah—General..	410	7,088	4,984	5,671	5,480
Maternity.	24	1,833	—	1,320	—
Kwong Wah—General	267	7,296	3,364	5,902	2,883
Maternity.	59	4,439	—	4,406	—
Tung Wah Eastern—General ..	222	4,778	2,185	3,050	2,528
Maternity.	14	1,154	—	954	—

32. *Tung Wah Infectious Diseases Hospital.*— Situated in Kennedy Town and adjacent to the Government Infectious Diseases Hospital is the Tung Wah Infectious Diseases Hospital, an institution containing 30 beds where 60 patients could be accommodated at a pinch. The treatment here is left almost entirely to the herbalists.

During the year there were 7 patients, as compared with 47 in the preceding year.

TREATMENT OF OPIUM ADDICTS.

At the Government Civil Hospital and Tung Wah Eastern Hospital six and twelve beds (respectively) are reserved for the treatment of opium addicts, the Government being responsible for the expenses incurred. 37 cases were treated at the former institution and 441 at the latter, making a total of 478 cases.

Chapter V.

HOUSING.

In recent years some evidence has been shown amongst the artizan class of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. This class of labour has to find its habitat as close as possible to the scene of its labour, with the result that the Western part of the City of Victoria, which houses the native business quarter and closely adjoins the portion of the harbour handling the traffic from the West River and Chinese Coast Ports, is seriously overcrowded.

2. These conditions are being slowly mitigated by the rebuilding of properties which from time to time are condemned for reasons of structural defects. This process of elimination is however, too slow to create any appreciable improvement. The legislation mentioned in paragraph 8, which calls for the provision of reasonable yard space, when made operative, will hasten the removal or reconstruction of much of the old property. This, whilst providing improved housing conditions, will no doubt mean increased cost of living to the labouring classes.

3. Hitherto, the hostility of the property-owning class to the introduction of legislation requiring additional open space and thereby reducing the earning power of the property has been the chief obstacle in obtaining improved conditions. It can, however,

be recorded that this spirit of obstruction is less evident today as a result of education, and of the example set by some of the better class of realty companies whose blocks of tenement houses compare not unfavourably in essential respects with modern European practice.

4. The housing of the Colony is all privately owned, and control is maintained by the operation of the Public Health and Buildings Ordinance, the provisions of which also mould the character of the housing. Generally the houses are built back to back in rows, separated by a scavenging lane six feet in width specified by the Ordinance. These houses vary in height from two to four storeys according to the width of the street on to which they front, whilst the average height per storey is twelve feet, a minimum being controlled by the Ordinance. The houses built prior to the 1903 Ordinance covering the greatest part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. After the passing of the Public Health and Buildings Ordinance No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot is governed, and falls under two main heads, *viz*:—(*a*) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must not be less than one-fourth of the area of the site and (*b*) houses built on land bought subsequently where the minimum is raised to one-third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitation than to economics) and a depth of about thirty-five feet, whilst each storey consists of one large "room" with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles each of which may accommodate a family. A latrine is built at ground floor level, one to each house irrespective of the number of occupants, and is common to all.

5. Structurally the earlier houses are of blue bricks (of native manufacture having a very low structural value) and timber, (usually China fir which is extremely susceptible to the ravages of white ants). Lately, however reinforced concrete and better quality bricks have been used.

6. In the City of Victoria the major defect of housing is due to lack of town planning, but since a large proportion of the City was erected in the early days of the Colony, when town planning was little practised even in Europe, the conditions to-day are a heritage, the elimination of which involves immense sums of money, and probably considerable opposition if attempted on a large scale.

7. Generally many of the old houses suffer from defects which are attributable to the Ordinance of that time. Passed in 1903 the measure was framed to meet existing conditions, both structurally and hygienically as they were then understood and practised. But, viewed in the light of modern practice and knowledge, many of its provisions are found to be lax and the following are the main resultant defects:—

(*a*) The open space is insufficient, especially with regard to earlier houses, *i.e.* those built on land purchased prior to 1903.

(*b*) Latrine accommodation is insufficient.

(*c*) Staircases are too narrow and steep, and often unlighted.

(*d*) Means of escape in case of fire insufficient.

Note:—

(*b*) In the case of new buildings where owners are able to provide by means of a well or otherwise an adequate water supply, flush sanitation is now usually provided on each floor. This is one of the most important steps forward in sanitation that has been achieved.

(*c*) and (*d*) have been provided for by recent amendments of the Public Health and Buildings Ordinance, which call for any new staircases in tenement houses to be of fire-proof construction, with alternative means of egress from all floors more than twenty-three feet above the footpath. The remarks above apply more particularly to the housing of the wage-earning Asiatics. The housing for the wealthier classes is provided for by modern flats three or four storeys high, and in the suburban areas by detached or semi-detached houses usually two storeys high which may be occupied separately or as flats.

8. The Buildings Ordinance No. 18 of 1935 was passed during the year and came into operation on the 1st January, 1936. The ordinance provides for improvement in the conditions of light and ventilation of those old properties which under the existing Ordinance are not called upon to conform to modern requirements in this respect. A higher standard generally is being called for and building owners are themselves slowly realising the advantages to be gained from modern constructional methods allied to proper hygienic principles.

On May 10th, 1935, a Commission was appointed to enquire into the housing difficulties in Victoria and Kowloon, with special reference to overcrowding and its effect on tuberculosis, and suggest steps which should be taken to remedy existing conditions.

The Commission held its first meeting in June 1935 but owing to absence of members from the Colony and temporary changes in Government personnel no further meetings were possible during the year.

Chapter VI.

PRODUCTION.

Hong Kong is the port for South China, and the greater part of the large volume of goods that pass through it is in transit between South China and other parts of the world, including North and Middle China. The Colony itself produces comparatively little, though the shipbuilding, cement, rope, tin and sugar refining, rubber shoe and cotton knitting industries are not unimportant. Neither agriculture nor mining is carried on to any great extent, though the former is practised throughout the New Territories. Rice and vegetables are grown, and there is considerable poultry farming, but in insufficient quantities to supply the needs of the urban populations of Victoria and Kowloon. The cultivation is in the hands of the Chinese villagers. Sea fishing is an important industry, but here again local supplies have to be augmented by importation from outside.

2. Reports on the principal industries for the year 1935 are given below:—

Refined Sugar.—Generally speaking 1935 witnessed an upward trend in world prices for raw sugar following the reduction in carry-over stocks and the more approximate balance of output and consumption following the severely restricted production. Refined sugar values naturally followed suit, but Hong Kong and China markets were slow in coming up to replacement costs. The severe floods in the Yangtsze valley and Yellow river areas in July aggravated the economic depression and financial stringency, and refined sugar as a relative luxury in China suffered some reduction in offtake. The extreme fluctuations in exchange rates and the political situation in North China, Manchuria and Mongolia, tended to restrict trade. The political situation is somewhat less tense at the time of writing and with the, at least relative, success achieved by the Chinese Government's currency measures the financial situation appears to be slightly easier, and prospects for the future are better than they have been for some time past.

Cement.—Business in Cement continued to be fairly brisk throughout the year despite trade conditions. Japanese importers did the bulk of the business at very low prices.

Preserved Ginger.—Local prices fluctuated during the year from $10 to $16 per picul for cargo ginger and from $15 to $25 per picul for stem ginger. This represented a decrease in terms of local currency but in terms of other currencies Hong Kong ginger was dearer on account of higher exchange values. Increased quantities were, however, exported owing to the more prosperous conditions existing in the countries which are the largest purchasers. Total value of exports amounted to $1,875,778. Of this amount $783,193 was taken by the United Kingdom, $332,671 by Australia, $191,454 by Holland and $138,131 by the United States of America.

Knitted Goods.—Local knitting factories experienced another year of very depressed trading. The heavy Chinese import duties have practically closed the South China market to Hong Kong manufactured goods and on account of the higher exchange value of local currency during the greater part of 1935 it was more difficult to sell competitively in British Malaya, the Philippines, Netherlands East Indies and Siam which are now the biggest markets. There was a welcome increase in business with the British West Indies, particularly in singlets. The yarn used in the manufacture of the lower grades of cotton knitted goods is imported from North China and that for the higher grades from the United Kingdom. The total value of exports of singlets in 1935 was $2,346,360 and that of hosiery, $352,942.

Flashlight Torches.—High exchange also handicapped the sale in other markets of Hong Kong-made flashlight torches and batteries and there were large decreases in exports to the Netherlands East Indies, Malaya and India. Exports to Siam and to the United Kingdom increased but the total volume of business ($1,546,615 worth of torches and $809,964 worth of batteries) was considerably below normal. At the close of the year lower exchange gave prospects of better business but it is not thought likely that there will be much export to the United Kingdom in 1936 owing to the fact that to qualify for Imperial Preference, the torches are now required to be made of British-made brass which is dearer than the Continental brass at present used.

Rubber Shoes.—As locally manufactured canvas shoes with rubber soles qualify for Imperial Preference, an impetus has been given to shipments to other parts of the British Empire, particularly the United Kingdom and the British West Indies. The rubber used in the manufacture of these shoes is certified to be the produce of British Malayan plantations and the canvas to have been made in the United Kingdom. Until a few years ago most of the canvas used originated from the United States of America. The total value of exports of rubber shoes from Hong Kong in 1935 amounted to over $2,000,000.

Lard.—The manufacture of lard is an important local industry. Pigs are imported from South China and Kwongchowan and slaughtered in Government abbatoirs, the preparation of packing of the manufactured lard also being supervised by Government officials. Total exports from Hong Kong in 1935 amounted to 71,222 piculs valued at $1,617,009. Of this amount 63,158 piculs was taken by the United Kingdom.

Shipbuilding.—One river motor ship, one motor schooner, five launches, three yachts, fourteen motor boats, seven lighters, nine small craft, one vehicular ferry and one tug were under construction during the year in local dockyards.

Chapter VII.

COMMERCE.

During the year 1935 the visible trade of the Colony showed a further decline as compared with the year 1934, in terms of local currency, but the statistics of both imports and exports of merchandise showed an increase in terms of sterling in 1935 as compared with 1934.

2. In terms of local currency the total visible trade of the Colony in 1935 declined by 14.2% as compared with 1934, and 29.6% as compared with 1933, but in terms of sterling values the visible trade in 1935 showed an increase of 8.7% as compared with 1934, and an increase of 0.2% as compared with 1933. (Details are given in Table I).

3. Imports of merchandise totalled $365.0 (£35.3) millions in 1935, as compared with $415.9 (£31.7) millions in 1934, and $500.9 (£33.9) millions in 1933; whilst exports totalled $271.0 (£26.1) millions in 1935 as compared with $325.1 (£24.8) millions in 1934, and $403.1 (£27.4) millions in 1933.

4. In terms of local currency imports of merchandise in 1935 decreased by 12.2% as compared with 1934, and 27.1% as compared with 1933; whilst exports decreased by 16.6% as compared with 1934, and 32.8% as compared with 1933.

5. In terms of sterling values imports of merchandise increased by 11.4% in 1935, as compared with 1934, and 4.1% as compared with 1933; whilst exports increased by 5.2% in 1935, as compared with 1934, and decreased by 4.7% as compared with 1933.

6. It is estimated that the quantum of the import trade increased by 4.4% in 1935, as compared with 1934, and decreased by 12.3% as compared with 1933 and 15.4% as compared with 1932, but, of necessity, the volume of imports into the Colony cannot be calculated accurately on account of the lack of a suitable unit of quantity, fluctuations in the dollar exchange, and the fact that many commodities imported are declared by value only.

7. The following countries increased their shares of the import trade:—Japan, U.S.A., French Indo-China, Germany, British Malaya, Australia, and Belgium; whilst increased shares of the export trade were credited to China, Japan, U.S.A., Kwong Chow Wan, and the Philippine Islands. (Details are given in Table II).

8. It will be seen from Table III that as compared with 1934, there were decreased imports in 1935 of live animals, building materials, chemicals and drugs, Chinese medicines, foodstuffs, fuels, hardware, intoxicating liquors, machinery, metals, nuts and seeds, paper and paperware, piece goods, tobacco, treasure, wearing apparel and sundries; whilst there were slight increases in imports of dyeing and tanning materials, oils and fats, paints and vehicles. Imports of artificial manures and also minerals and ores practically doubled. With exception of dyeing and tanning materials, machinery, artificial manures, treasure, and vehicles, all other groups of export commodities in 1935 showed a decline as compared with 1934.

9. Total movements of treasure amounted to $254.7 millions in 1935, as compared with $206.6 millions in 1934; imports accounting for $38.8 millions as compared with $78.1 millions in 1934, and exports $216.0 millions as compared with $128.5 millions in 1934. (Details are given in Table IV).

10. Average T.T. opening rates of exchange during the year 1935 were:—London $1/11\frac{5}{16}$; France 719.7/16; U.S.A. $47\frac{1}{8}$; Shanghai; $128\frac{1}{8}$; India $128\frac{3}{8}$; Singapore $82\frac{13}{16}$; Japan $165\frac{1}{8}$; Java $69\frac{7}{8}$. The highest Sterling average rate was $2/4\frac{3}{4}$ in May, steadily decreasing month by month to $1/3\frac{7}{8}$ in December.

11. Wholesale prices in the Colony during the year 1935 declined by 14.9% as compared with 1934, 24.7% as compared with 1933 and 22.1% as compared with the base year 1922. Foodstuffs declined by 9.4% in 1935 as compared with 1934, Textiles by 13.6%, Metals and Minerals by 18.1% and Miscellaneous Articles by 18.3%. (Details are given in Table V).

Table I.

IMPORTS AND EXPORTS 1924-1935.

(in £'s & $'s millions).

IMPORTS.

	1924.	*1930.*	*1931.*	*1932.*	*1933.*	*1934.*	*1935.*
1st Quarter	£ 19.3	*	9.0	11.9	8.5	7.1	9.0
	$165.4	*	186.9	170.7	132.8	95.8	97.3
2nd Quarter	£ 17.1	9.2	8.7	10.2	8.5	7.1	10.7
	$144.0	131.3	180.1	164.7	126.1	99.7	94.0
3rd Quarter	£ 19.2	10.1	9.0	9.3	8.5	8.1	8.1
	$161.7	156.8	182.3	142.4	122.1	106.6	79.5
4th Quarter	£ 16.5	10.3	11.8	9.6	8.4	9.4	7.5
	$136.6	167.4	188.4	146.2	119.9	113.8	94.2
Total	£ 72.1	29.6	38.5	41.0	33.9	31.7	35.3
	$607.7	455.5	737.7	624.0	500.9	415.9	365.0

EXPORTS.

	1924.	*1930.*	*1931.*	*1932.*	*1933.*	*1934.*	*1935.*
1st Quarter	£ 18.3	*	6.8	8.8	6.8	5.8	6.9
	$156.8	*	140.1	127.0	105.3	77.5	74.8
2nd Quarter	£ 15.2	7.4	6.4	7.1	7.2	5.7	7.7
	$128.0	105.9	132.5	115.3	106.2	79.6	67.9
3rd Quarter	£ 14.6	7.3	6.5	7.2	6.6	6.1	5.8
	$122.9	113.7	130.6	110.0	95.5	80.5	56.6
4th Quarter	£ 15.5	8.5	9.2	7.9	6.8	7.2	5.7
	$128.3	137.2	138.7	119.6	96.1	87.5	71.7
Total	£ 63.6	23.2	28.9	31.0	27.4	24.8	26.1
	$536.0	356.8	541.9	471.9	403.1	325.1	271.0

*No statistics available.

NOTE:—Average rate of exchange 1924 = 2*s*. $4\frac{1}{2}$*d*.
1930 = 1*s*. $3\frac{1}{2}$*d*.
1931 = 1*s*. $0\frac{3}{4}$*d*.
1932 = 1*s*. $3\frac{3}{4}$*d*.
1933 = 1*s*. $4\frac{1}{4}$*d*.
1934 = 1*s*. $6\frac{3}{16}$*d*.
1935 = 1*s*. $11\frac{5}{16}$*d*.

Table II.

DISTRIBUTION OF IMPORTS AND EXPORTS OF MERCHANDISE BY COUNTRIES ($'000's omitted).

A.—IMPORTS.

	1934.		*1935.*	
	$	%	$	%
China	146,488	35.2	123,314	33.8
Japan	36,669	8.8	43,132	11.8
N. E. Indies	34,675	8.3	22,576	6.2
United Kingdom	32,542	7.8	23,897	6.5
U. S. A.	29,343	7.1	26,462	7.3
French Indo-China	26,245	6.3	32,573	8.9
Siam	33,464	8.0	20,535	5.6
Germany	13,537	3.3	16,346	4.5
British Malaya	5,496	1.3	6,215	1.7
India	8,276	2.0	4,440	1.2
Australia	6,698	1.6	8,419	2.3
Belgium	4,880	1.2	4,788	1.3
All Other Countries	37,606	9.1	32,293	8.9
	Summary.			
United Kingdom	32,542	7.8	23,897	6.5
British Dominions and Possessions	28,954	7.0	26,983	7.4
China	146,488	35.2	123,314	33.8
All Other Countries	207,935	50.0	190,796	52.3
Total British Empire	61,496	14.8	50,880	13.9
Total Foreign	354,423	85.2	314,110	86.1
Grand Total	415,919	100.0	364,990	100.0

Table II,—*Continued.*

B.—EXPORTS.

	1934.		*1935.*	
	$	%	**$**	%
China	156,243	48.0	132,804	49.0
British Malaya	24,765	7.6	17,006	6.3
French Indo-China	24,095	7.4	14,459	5.3
Japan	11,447	3.5	11.497	4.2
Macao	17,364	5.3	13,294	4.9
Siam	14,664	4.5	10,441	3.9
U. S. A.	18,573	5.7	21,248	7.8
Kwong Chow Wan	8,018	2.5	9,333	3.4
N. E. Indies	8,506	2.6	6,193	2.3
Philippines	5,291	1.6	5,012	1.8
India	4,233	1.3	3,416	1.3
All Other Countries	31,906	10.0	26,330	9.8

Summary.

United Kingdom	6,363	2.0	7,553	2.8
British Dominions and Possessions	39,701	12.2	30,107	11.1
China	156,243	48.0	132,804	49.0
All Other Countries	122,798	37.8	100,569	37.1
Total British Empire	46,064	14.2	37,660	13.9
Total Foreign	279,041	85.8	233,373	86.1
Grand Total	325,105	100.0	271,033	100.0

Table III.

IMPORTS AND EXPORTS BY MAIN GROUPS OF COMMODITIES
($'000's omitted).

	Imports.		*Exports.*	
	1934.	*1935.*	*1934.*	*1935.*
	$	$	$	$
Animals, Live	9,223	7,929	300	168
Building Materials	7,262	6,730	3,872	3,502
Chemicals & Drugs	5,724	4,521	3,325	2,894
Chinese Medicines	16,825	13,018	11,789	10,318
Dyeing Materials	3,696	4,261	3,224	3,553
Foodstuffs	126,537	108,025	102,170	82,187
Fuels	11,463	10,628	1,087	781
Hardware	2,937	2,651	2,120	2,041
Liquors	3,916	2,922	1,226	761
Machinery	6,948	6,740	5,833	7,392
Manures	2,046	3,435	3,520	4,882
Metals	33,172	32,784	31,055	28,711
Minerals & Ores	1,100	2,190	2,922	2,829
Nuts and Seeds	6,101	5,141	4,227	3,436
Oils and Fats	33,902	33,972	25,753	25,657
Paints	1,440	1,451	1,328	1,196
Paper and Paperware	9,732	8,871	6,962	5,644
Piece Goods	66,551	52,670	48,703	34,109
Railway Materials	354	563	1,521	1,061
Tobacco	6,384	5,863	4,295	3,236
Treasure	78,081	38,785	128,480	215,959
Vehicles	3,374	3,938	2,039	3,061
Wearing Apparel	4,041	3,611	8,487	6,223
Sundries	53,190	43,075	49,346	37,392
Total	493,999	403,774	453,584	486,993

Table IV.

IMPORTS AND EXPORTS OF TREASURE.

	Imports.		*Exports.*	
	1934.	*1935.*	*1934.*	*1935.*
	$	$	$	$
Bank Notes	16,735,677	12,520,780	13,295,374	12,619,645
Copper Cents	156,983	6,006	264,622	13,485
Gold Bars	13,713,828	3,548,539	69,869,489	28,330,556
Gold Coins	—	—	528,049	38,060
Gold Leaf	14,448	4,764	252,556	139,597
Silver Bars	3,575,251	1,053,014	9,191,377	100,856,835
H.K. Silver Dollars	16,982,920	8,285,219	—	34,558,816
Chinese Silver Dollars	23,197,937	6,727,206	31,140,989	17,088,114
Other Silver Dollars	172,564	1,358,911	199,914	19,038,593
Silver Sub. Coin	3,531,261	5,280,372	3,737,158	3,275,588
Total	78,080,869	38,784,811	128,479,528	215,959,289

Table V.

WHOLESALE PRICE CHANGES.

(1922 = 100)

Groups.	*1924.*	*1931.*	*1932.*	*1933.*	*1934.*	*1935.*
Foodstuffs	106.1	144.3	126.5	113.4	94.3	85.4
Textiles	112.5	135.8	125.2	97.0	85.9	74.2
Metals	102.3	140.9	128.1	107.8	97.4	79.8
Miscellaneous	106.3	125.4	109.7	95.7	88.5	72.3
Average	106.8	136.6	122.4	103.5	91.5	77.9

Chapter VIII.

WAGES AND THE COST OF LIVING.

A great proportion of the workers in Hong Kong are paid on a piece-work basis and in some trades are engaged and paid on curiously complicated systems involving payment of a bonus or a share in the yearly profits.

The depression in local industries seemed to have reached its lowest ebb at the beginning of the year and during the first nine months there was little, if any, improvement in business.

A number of the smaller knitting and weaving factories closed down altogether and some of the larger factories worked shorter hours. During the last three months, however, various industries, especially those engaged in the manufacture of cigarettes, rubber shoes, felt hats, electric torches, dry batteries and confectionery, began to improve. It is probable that this improvement was mainly due to better export trade consequent upon the fall in value of the local dollar vis-a-vis sterling and there is reason to hope that this improvement will be maintained.

As usual, the knitting and weaving industry has done better business with the approach of the cold season. Joss-stick making has been prosperous for the greater part of the year. A new industry, the making of Bakelite wares, has started but so far the output has been limited to samples. One enterprising rubber factory which had hitherto confined itself to the manufacture of shoes is now making a bid to increase business by making rubber knee-boots and, still more recently, leather shoes, using leather from England and Australia.

The number of factories has maintained its level. In spite of fifty-three having closed down during the year, over sixty new factories have been registered. There are now 506 registered workshops and factories in operation.

Owing to the fact that Chinese who are unable to find employment in the Colony tend to return to their native districts in China it is difficult to form an accurate opinion on the question of unemployment in Hong Kong. There can be little doubt, however, that there has been a slight increase in unemployment during the year and that the average rates of wages for labour, especially for skilled and semi-skilled labour in factories and workshops, have decreased. Wages for unskilled labour do not appear to have suffered to the same extent. A natural corollary of this general decrease in prosperity is that many people who formerly rented rooms and cubicles have been reduced to occupying bed-spaces and consequently, although rents for Chinese tenements have remained more or less the same, there has been an increase in overcrowding in the poorer districts and, at the same time, an increase in the number of vacant tenements. On the other hand there has been a slight but definite decrease in the cost of Chinese foodstuffs which has tempered the effects of the fall in wages rates.

1935

AVERAGE RATES OF WAGES FOR LABOUR.

Building Trade:—

Locomotive Drivers	$1.50	to	$2.00	per	day.
Carpenters	0.85	,,	1.25	,,	,,
Bricklayers	0.85	,,	1.20	,,	,,
Painters	0.95	,,	1.25	,,	,,
Plasterers	0.80	,,	1.20	,,	,,
Scaffolders	0.90	,,	1.25	,,	,,
Labourers (male)	0.60	,,	0.75	,,	,,
,, (female)	0.40	,,	0.60	,,	,,

Working hours 9 per day. Time and a half paid for overtime. Free temporary sleeping quarters provided on the building site and communal messing at cheap rates.

Shipbuilding & Engineering:—

Electricians	$1.00	to	$1.40	per	day.
Coppersmiths	1.00	,,	1.60	,,	,,
Fitters	0.80	,,	1.55	,,	,,
Sawmillers	0.70	,,	1.25	,,	,,
Boilermakers	0.95	,,	1.20	,,	,,
Sailmakers ...	1.00	,,	1.40	,,	,,
Blacksmiths	0.75	,,	1.20	,,	,,
Turners	1.00	,,	1.40	,,	,,
Patternmakers	1.00	,,	1.40	,,	,,
Labourers	0.70	,,	1.00	,,	,,

Overtime—time and a half. Night work—double time.

Transport Workers:—

Tram Drivers	$36	to	$45	per	month.
,, Conductors	30	,,	39	,,	,,
Bus Drivers	30	,,	50	,,	,,
,, Conductors	18	,,	25	,,	,,

Working hours 9 per day. Free Uniform. Bonus at end of year.

Railway Workers (Government):—

Station Masters	$1,100	to	$1,800	per	annum.
Telephone Operators	750	,,	1,400	,,	,,
Booking Clerks	600	,,	1,000	,,	,,
Guards	600	,,	1,000	,,	,,
Signalmen	—	,,	1,000	,,	,,
Engine Drivers	540	,,	1,000	,,	,,
Ticket Collectors	420	,,	600	,,	,,
Firemen	330	,,	480	,,	,,
Pointsmen	192	,,	240	,,	,,

Female Workers in Factories:—

Cigarette making	$0.30	to	$0.55	per	day.
Knitting factories	0.25	,,	0.60	,,	,,
Perfumery	0.20	,,	0.50	,,	,,
Confectionery	0.20	,,	0.40	,,	,,
Electric hand torch factories	0.25	,,	0.35	,,	,,
,, ,, ,, battery factories	0.15	,,	0.40	,,	,,

Working hours from 7 a.m. to 5 p.m. One hour off at midday. Overtime from 6 p.m. to 9 p.m. at day rates.

Domestic Servants:—

Employed by Chinese	$7.00	to	$20.00	per	month.
Employed by Europeans	15.00	,,	40.00	,,	,,
Gardeners	15.00	,,	30.00	,,	,,

With free lodging, and, with Chinese employers, generally free board.

NOTE:—The rates of pay of Government employees are much the same as those of a similar category in private employ.

Transport coolies	$0.60	to	$0.70	per	day.
Coal coolies	0.80			,,	,,
Ricksha coolies	0.60	,,	0.70	,,	,,

Chapter IX.

EDUCATION AND WELFARE INSTITUTIONS.

GOVERNMENT SCHOOLS.

These are either schools where the medium of instruction is English or mostly English or schools where the medium of instruction is Chinese. The former, seventeen in number, are known as "English" schools, the latter of which there are three as "vernacular" schools.

2. Of the four English schools, classed as "secondary" schools in the Table below, two are Anglo-Chinese schools for boys and one for girls. These three schools have primary departments. The fourth school, the Central British School which is a mixed school, has no primary department. Of the eleven English schools, classed as "primary" schools in the Table, three are mixed schools preparing for the Central British School. In this group are also four "District" schools, including one for Indian boys and four "Lower Grade" schools, three of which are in rural districts. In those English schools which are attended by Chinese the study of English and of Chinese is carried on side by side, the *pari passu* system requiring that promotion shall depend on proficiency in both languages.

3. Of the two Government Schools classed as "vocational" one is the Junior Technical School which was opened in February, 1933, the other is the Evening Institute which is attended by persons desirous of receiving instruction for the most part germane to their day time occupations.

4. Of the three Government vernacular schools one has a seven years' course and includes a Normal department. There is also a normal school for women teachers and a normal school on the mainland which aims at providing vernacular teachers for rural schools.

GRANT-IN-AID AND SUBSIDIZED SCHOOLS.

5. There are fourteen Grant-in-Aid English Schools, and four Grant-in-Aid Vernacular Schools. Of the former, seven are schools for boys and seven are for girls.

6. One English school for girls has a primary department only, and one an infant department only. The remaining schools classed in the table below as "secondary" schools have primary departments as well as the upper classes.

7. Mansang College, Kowloon City, received a grant of $6,000.

8. The vernacular Grant-in-Aid Schools are schools for girls and are classed in the Table as "secondary" schools.

9. The 311 subsidized schools are all vernacular schools.

UNAIDED SCHOOLS.

10. In 1935 there were 638 unaided vernacular schools with 35,973 children and 126 unaided English schools with 5,444 children.

Table showing number of schools and scholars for the year 1935.

CLASS OF INSTITUTIONS.	GOVERNMENT SCHOOLS.		GRANT-IN-AID AND SUBSIDIZED SCHOOLS.		UNAIDED SCHOOLS.	
	No. of Institutions.	On Roll.	No. of Institutions.	On Roll.	No. of Institutions.	On Roll.
ENGLISH :—						
Secondary, ...	4	2,150	13*	6,470	13	1,504
Primary, ...	11	1,783	2	248	113	3,940
Vocational, ...	2	992	—	—	—	—
Total, ...	17	4,925	15	6,718	126	5,444
VERNACULAR :—						
Secondary, ...	1	244	4	998	—	—
Primary, ...	—	—	310	20,830	637	35,774
Vocational, ...	2	221	1	128	1	199
Total, ...	3	465	315	21,956	638	35,973

Total No. of institutions 1,114

Total on Roll 75,481

* This includes Ying Wa College whose primary department receives a Grant-in-Aid.

N.B.—Kindergarten boys attending Grant-in-Aid Schools for girls are not shown separately.

THE UNIVERSITY.

11. The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

12. The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall. There are also three recognized hostels for men, St. John's Hall, Morrison Hall and Ricci Hall, and one—St. Stephen's Hall for women. No university hostel at present exists for women students.

13. The late Sir Hormusjee Mody bore the entire expense of the erection of the main building. Additions have been made through the liberality of benefactors of varied nationality and domicile. The latest additions to the buildings are a School of Chinese Students, the cost of which was borne by Mr. Tang Chi Ngong a local Chinese merchant and banker, and a Chinese Library named after the late Mr. Fung Ping Shan who provided a sum of $100,000 for the building and $50,000 as an endowment fund for its maintenance; also a School of Surgery and a New Engineering Laboratory named after H.E. the Governor, Sir William Peel.

14. The income of the University for 1935 amounted to $822,498 of which $299,000 was derived from endowments and $350,000 from Government. Messrs. John Swire & Sons, Ltd., gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockfeller Institute has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000. The annual expenditure in 1935 amounted to about $806,562.

15. The University includes the three faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognized as equivalent thereto.

16. The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D. and M.S. are awarded on examinations but are subject to the proviso that every candidate for the degrees shall produce evidence of special post-graduate experience in the subject which he presents. The degrees above mentioned are recognized by the General Medical Council for registration in Great Britain.

17. The Faculty of Engineering provides a four years course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.) Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.)

18. The Faculty of Arts includes departments of pure arts and science, social science, commerce, a department of Chinese studies and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

19. With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

20. The degree of LL.D. is granted *honoris causa*.

Charitable Institutions.

21. The following are the best known Charitable Institutions.

French Convent Orphanage.
Italian Convent Orphanage.
Maryknoll Convent, Kowloon.
St. Louis Industrial School.
Po Leung Kuk—Chinese.
Victoria Home and Orphanage.
Society of Precious Blood Hospital.
Home for Aged Poor, Kowloon.
La Calvaire Home for Aged Poor, Happy Valley.
Eyre Refuge.
Salvation Army Home.
Industrial Home for the Blind, Pokfulam.
Industrial School, Aberdeen.

Recreation and Art.

22. Most of the schools contrive to hold annual sports either on their own grounds or on grounds generously lent by local cricket and football clubs. Some schools are granted free use of Government bathing beaches for four afternoons a week during the bathing season. Lawn tennis, football, swimming, volley ball and basket ball continue to increase in popularity. Cricket is played at a few schools. Physical training is given by qualified instructors. Art is taught in the Government British schools by trained art mistresses.

Chapter X.

COMMUNICATION AND TRANSPORT.

The external communications of Hong Kong are excellent both by sea and by telegraph, cable and radio. As regards the former, the Peninsular and Oriental Steam Navigation Co., the Nippon Yusen Kaisha, the Blue Funnel Line, the Messageries Maritimes, and several other British and foreign companies maintain regular passenger and freight services between Hong Kong and Europe. The trans-Pacific communications are well served by the Canadian Pacific Steamship Ltd., the Dollar Line, the Nippon Yusen Kaisha, and other steamship lines. To Australia three steamship companies, the Eastern and Australian, Nippon Yusen Kaisha, and Australian and Oriental maintain regular passenger and freight services. In addition there are direct sailings to Africa, South America, and to New York. There is frequent and regular communication between Hong Kong and other Far Eastern ports in India, Java, Straits Settlements, Formosa, Indo-China, Japan and the China coast. Local steamship communication is by river steamer from Hong Kong to Canton and the West River ports with several sailings daily. In addition there is a vast traffic between Hong Kong and the adjacent provinces of China by junk and sampan.

2. The total shipping entering and clearing Ports in the Colony during the year 1935 amounted to 94,655 vessels of 43,473,979 tons which, compared with the figures for 1934 shows an increase of 901 vessels, and 1,559,957 tons. Of the above, 45,553 vessels of 41,487,477 tons were engaged in Foreign Trade as compared with 44,043 vessels of 40,054,033 tons in 1934. There was an increase in British Ocean-going shipping of 268 vessels and 475,911 tons. Foreign Ocean-going vessels show an increase of 549 vessels and 1,325,134 tons. British River Steamers showed a decrease of 63 vessels and an increase of 66,007 tons. Foreign River Steamers showed an increase of 247 vessels and 49,346 tons. In steamships not exceeding 60 tons employed in Foreign Trade there was a decrease of 446 vessels with a decrease in tonnage of 8,400 tons. Junks in Foreign Trade showed an increase of 955 vessels with a decrease in tonnage of 474,554 tons. In Local Trade (*i.e.*, between places within the waters of the Colony), there was an increase in steam-launches of 241 vessels with an increase in tonnage of 31,984 tons. Junks in Local Trade show a decrease of 850 vessels, with an increase in tonnage of 94,529 tons.

3. The Eastern Extension Australasia and China Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provides good connections with Europe *via* India, with Australasia, and with the other British Colonies and Possessions. By

their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, via Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; the system of the Great Northern Telegraph Company gives a good service to Europe *via* Asiatic Russia.

4. The Government operates commercial radio services with direct communication to the Chinese stations Shanghai, Foochow, Amoy, Swatow, Canton, Yunnanfu, Hoihow, to Formosa, French Indo-China, Siam, Philippines, Dutch East Indies, British North Borneo, *via* Manila to Europe, America, etc. and *via* Malabar to Australasia, Europe etc.

5. The revenue collected by the Radio Office during the year from radio telegrams amounted to $600,836, a decrease of $38,628 on the amount collected in 1934. Advices of vessels signalled at the Lighthouses yielded $1,459. The total Revenue from the telegraph service amounted to $602,295. Ship Station Licences yielded $1,620, Amateur Transmission Station Licences $285, Broadcast Receiving Licences $45,016, Dealers' Licences $2,676 and Examination Fee for Operators' Certificates of Proficiency $896.

6. The number of paid radio-telegrams forwarded during the year was 202,196 consisting of 1,829,519 words against 184,466 consisting of 1,780,084 words in 1934 and 204,155 were received, consisting of 2,225,364 words against 212,072 consisting of 2,401,601 words.

7. In addition to the paid traffic figures given above the wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 480 messages or 295,971 words from Rugby, the collection and distribution of meteorological traffic, 5,945 messages 420,759 words having been forwarded, and 12,782 messages 430,486 words having been received, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc.

8. A telephone service between Hong Kong and Canton, a distance of 110 miles is in operation.

9. *Mails.*—The number of mail receptacles of Hong Kong origin despatched during the year was 45,318 as compared with 44,067 in 1934—an increase of 1,251, the number received was 47,759 as compared with 44,951—an increase of 2,808.

10. Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 209,157 as against 206,869 in 1934 an increase of 2,288.

11. *Registered Articles and Parcels.*—The number of registered articles handled amounted to 683,676 as compared with 680,360 in 1933—an increase of 3,316.

12. The figures for insured letters were 14,580 and 16,316 respectively—a decrease of 1,736.

13. Parcels, ordinary and insured, which were dealt with reached a total of 149,929 as against 150,309 in 1934—a decrease of 380.

14. The Railway may be said to have had a fairly successful year during 1935, bearing in mind the acute economic depression. Circumstances which have affected operating revenue considerably, are the economic instability engendered by the high price of silver, the complete failure of the fruit crop in Kwang Tung Province, and the existence through the entire period of a rate war among the Canton river steamers. The impoverished spending power of the public was a vital factor in reducing receipts.

15. The most noteworthy event of the year was the introduction of an agreement for the issue of through passenger tickets between Kowloon, and Sam Shui, Sai Nam and Fat Shan on the Canton-Sam Shui Railway. This was signed at Canton on August 30th, by the Administrations of the British and Chinese Sections of the Kowloon-Canton Railway, and the Southern Section of the Canton-Hankow Railway.

16. The track on both Sections has been maintained in a manner which has enabled all services to be run to the accelerated schedule during the year. The mid-day fast trains were speeded up, the journey between Kowloon and Canton being reduced from 3 hours 45 minutes to 3 hours 20 minutes.

17. The three 4-6-0 express locomotives obtained for the Chinese Section are still operated by the British Section. The Chinese Section made twelve monthly cash payments of $10,000 each in respect of these locomotives. Haulage charges continued to be paid by the Chinese Section.

18. The total steam train mileage run amounted to 500,887; this includes trains hauled by British Section locomotives over the Chinese Section. Motor Coach mileage was 8,123. Passenger journeys were 2,799,352 as against 2,683,444 in 1934.

19. Receipts and net operating revenue were **$1,411,674.73** and **$500,654.48** respectively, as against **$1,639,775.07** and **$696,604.41** the previous year. The former figures would have been increased to **$1,512,405.26** and **$601,385.01** had the British Section's share of terminal through traffic receipts remained at 35%.

20. There are 377 miles of roads in the Colony, 161 miles on the Island of Hong Kong and 216 miles in Kowloon and the New Territories. Of the total mileage 293 miles are constructed in water bound macadam dressed with asphalt, 12 miles in sheet asphalt on a cement concrete foundation, 13 miles of tar macadam, 17 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 39 miles of gravel.

21. The public travelling over the Colony's roads increases yearly with a corresponding growth in the number of motor buses, of which there are 79 operating on the island of Hong Kong, and 121 on the mainland. These are gradually replacing the rickshas, the number of which decreases year by year.

22. The Hong Kong Tramway Company has a fleet of 91 double deck tram cars running along the sea front of Victoria from Kennedy Town to Shaukiwan.

23. Communication between the island and the mainland is maintained by a number of ferry services; the most important of which are the Star Ferry between Kowloon Point and a pier near the General Post Office, and the combined vehicular and passenger service of the Hong Kong and Yaumati Ferry Company between Jordan Road, Kowloon and Jubilee Street, Victoria.

Chapter XI.

BANKING, CURRENCY, WEIGHTS & MEASURES.

The Colony is well served by banking institutions. There are fourteen principal banks doing business in the Colony which are members of the Clearing House, and in addition several Chinese Banks and many native Hongs do some banking business. There are no banks which devote themselves specially to agricultural and co-operative banking. The Hong Kong and Shanghai Banking Corporation also conducts the business of the Hong Kong Savings Bank on usual savings bank principles. Two of the Chinese Banks foreign style got into difficulties during 1935 and had to close down temporarily. One has subsequently re-opened. There were no notable difficulties among the smaller native banks. The credit and repute of the Colony's financial institutions are still as high as ever and it is satisfactory to be assured that ample encouragement and support are available to finance any possible demand that a revival of trade would need.

2. The Currency of the Colony which had been hitherto based on silver and governed by the Order in Council of 2nd February, 1895, underwent some very important changes during the period under review. The unit of currency is the Hong Kong dollar, divided into 100 cents. The standard coin was the silver British dollar, the silver content of which is almost identical with that of the Mexican dollar, and the exchange value of the Hong Kong dollar should theoretically have been identical with the bullion value of this coin. The reasons for the wide discrepancies from this theoretical value which have existed at various times are discussed in the Report of the Hong Kong Currency Commissioners 1931. Apart from these, the Hong Kong dollar was, like that of China, on a silver standard after the 15th October, 1934, when the Chinese Government in effect left that standard by imposing variable duties on the export of silver from China. On the 9th November, 1935, however, the Hong Kong Government prohibited the export of silver, and on the 5th December, 1935, a Currency Ordinance was passed calling in silver coin from circulation, and setting up the machinery which now controls the exchange value of the Hong Kong dollar. Briefly, this consists of an Exchange Fund, with power to buy and sell foreign exchange, which has taken over the silver formerly held against their issues by the note-issuing banks, in return for certificates of indebtedness against which the Fund may hold silver or foreign exchange.

The legal tender currency of the Colony is now as follows:—

(*a*) Bank notes, the excess of which over the fiduciary issue of each bank is now backed by certificates, not by silver as formerly:—

	At 31.12.35.
(*i*) Chartered Bank of India, Australia & China	$ 21,763,985
(*ii*) Hong Kong & Shanghai Banking Corporation ...	$112,322,143
(*iii*) Mercantile Bank of India	$ 2,131,162

(*b*) Government $1 notes, of which $1,280,000 were issued to prevent a shortage of currency at the beginning of the new system. These may ultimately be replaced by $1 bank notes.

(c) 10 cent and 5 cent cupro-nickel coins.

(*d*) 1 cent copper coins.

(*e*) The silver dollars and .800 fine silver sub-coin (10 cent and 5 cent pieces, and a few 50 and 20 cent pieces) which have either remained in circulation in the Colony or filter back into it from the mainland of China, are still legal tender in the Colony (sub-coin only up to an amount of $2.00). The exchange value of the Hong Kong dollar, which had gradually risen during 1934 in confirmity with the rise in the price of silver, reached a maximum of between 2*s*/6*d* and 2*s*/7*d* in April/May 1935, and thereafter continued to follow silver until the prohibition of export in November, 1935. From then until the Currency Ordinance was passed in December, the rate moved between 1*s*/4*d* and 1*s*/6*d*; and, since the Exchange Fund began operating in December, has been consistently between 1/3⅜ and 1*s*/3⅞*d*.

3. The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = 0.0133 ounces avoirdupois.

1 tsin (mace) = ·1‸33 ounces avoirdupois.

1 leung (tael) = 1.33 ounces avoirdupois.

1 kan (catty) = 1.33 pounds avoirdupois.

1 tam (picul) = 133.33 pounds avoirdupois.

and

1 chek (foot) = 14⅝ English inches divided into 10 tsün (inches) and each tsün into 10 fan or tenths.

Chapter XII.

PUBLIC WORKS.

During the year under review the operations of the Public Works Department were carried out, under a Head Office Staff, by eleven sub-departments, namely the Accounts and Stores, Architectural, Buildings Ordinance, Crown Lands and Surveys, Drainage, Electrical, Port Development, Roads and Transport, Valuations and Resumptions, Waterworks Construction and Waterworks Maintenance offices.

2. The European staff comprised 161 officers and the non-European approximately 635.

3. The following is a summary of works carried out during the year:—

Buildings.

4. Works completed were:—Upper Levels Police Station; Latrines at two new bathing beaches; cold storage rooms at the Central Medical Store; Outpatients Department at the Kowloon Hospital; a furniture workshop and store at Hung Hom; quarters for gardeners at the Kowloon Hospital; and a new hot water system to the Maternity Block of the Victoria Hospital.

5. Works under construction were:—Gaol at Stanley; Queen Mary Hospital; Market at Wanchai; Trade School; and a Magistracy at Kowloon.

6. In addition to general maintenance, numerous minor alterations and improvements to Government Buildings were also executed during the year.

Communications.

7. Works completed were:—King's Road (formerly called Shaukiwan Road) from North Point House to Taikoo Sugar Refinery; Approach Road to the proposed Government House Site at Magazine Gap; surfacing, kerbing and channelling to streets in front of new houses in Kowloon and New Kowloon; surfacing market area at Taipo Market; erection of village nameplates and sign-posts in New Territories; strengthening and improving the Fanling-Sha Tau Kok Road between Au Ha Gap and Sha Tau Kok Police Station; widening of Taipo Market to Fanling Road, between Nam Sha Po and Fanling cross roads; improvements to dangerous bends at 5¾, 6¾ and 7½ miles on the Taipo Road; streets at Taipo Market and Un Long were surfaced, kerbed and channelled in front of new houses; and improving bends on road to Sha Tin Gap. Following upon the general development of the Island and Mainland, kerbing, surfacing and channelling were laid where required. Queen's College recreation ground was levelled and re-turfed.

8. Works under construction were:—King's Road from Causeway Bay to North Point Power House and improvements to various subsidiary roads on the mainland.

Drainage.

9. New main sewers and storm water drains were constructed in Hong Kong to a length of 10,210 feet, covered nullahs to a length of 276 feet and parapet walling to open nullahs seventy-eight feet. In Kowloon, New Kowloon and New Territories, new main sewers and storm water drains were

constructed to a length of 9,382 feet, open nullahs part section 580 feet, parapet walling 179 feet, earth cutting 9,136 cubic yards, and a large section open earth intercepting cut (part inverted and walled) for a length of 2,200 feet.

10. Anti-Malarial work in Hong Kong was completed at Sookunpoo and continued at Mount Parker. Streams were trained to a total length of 12,921 feet with 3,522 feet of subsoil drains. At Kowloon Tong work was continued—nullahs, channels, pipe drains and culverts were constructed to a length of 3,672 feet, and "cutting and filling" amounting to 2,300 cubic yards was carried out.

WATER WORKS.

11. In Hong Kong the following lengths of new mains were laid to improve distribution:—576 feet of 12″, 774 feet of 10″, 3048 feet of 8″, 1,012 feet of 6″ and 3,302 feet of 4″ and under. 1,022 feet of subsidiary mains were also laid in back lanes.

12. The Jardines Lookout Section of the Eastern Pumping Scheme was completed in February and has worked satisfactorily since. The Middle Gap and Mt. Cameron Sections of the Scheme were proceeded with and were almost completed by the end of the year. These sections comprise two turbine driven ram pumps each capable of delivering 3,000 gall. per hour from Eastern Filter Beds through a 5″ dia. rising main about 3,000 feet in length to a covered service reservoir at Middle Gap 778 A.O.D. and of 200,000 gall. capacity. Two electrically driven ram pumps are housed below Middle Gap Service Reservoir. Each pump is capable of delivering 1,800 gall. per hour through a 3″ dia. rising main about 2,00 feet in length to a covered service reservoir 1,323 A.O.D. on Mt. Cameron. This reservoir has a capacity of 100,000 gall. and is connected by 1,252 feet of 3″ dia. piping to the Peak distribution system.

13. A scheme to improve the Stanley District Water Supply was approved and a Paterson Pressure Filtration Plant to deal with 200,000 gall. per day was ordered from England. Tenders for the construction of two covered service reservoirs were called for at the end of the year, one of 200,000 gall. capacity and the other of 80,000 gall. capacity. The latter is intended principally for the New Prison. During the year the following lengths of main were laid at Stanley:—714 feet of 6″, 1,248 feet of 5″, 2,438 feet of 4″ and 4,146 feet of 3″.

14. In Kowloon and New Kowloon the following mains were laid:—850 feet of 12″, 4,285 feet of 8″, 575 feet of 6″ and 3,606 feet of 4″, 9,126 feet of subsidiary mains were also laid in back lanes. At the Air Port 920 feet of 6″ main were

laid. At Taipo 3,657 feet of 6″, 1,230 feet of 3″ and 525 feet of 2″ piping were laid to complete the scheme. At Un Long 450 feet of 6″, 870 feet of 5″ and 1,370 feet of 4″ mains were laid. The scheme was completed in June and a satisfactory supply maintained to the end of the year.

15. A small supply scheme for Castle Peak was investigated.

16. The second sections of the Dragon's Back and Mount Parker Catchwaters were completed during the year thus completing the construction of catchwaters under the scheme. Two roller sluice gates were ordered from England to byepass the discharge of the Tytam Tuk East Catchwater when Tytam Tuk Reservoir is full.

17. The laying of the second Cross Harbour Pipe (18″ diameter) was completed during the first half of the year.

RECLAMATIONS.

18. A sea wall extending 700 feet eastwards from M.L. 431 was constructed to low water level on the seaward limit of the area to be reclaimed at North Point, about two acres of this area were reclaimed. The construction of a length of about 700 lineal feet of sea wall at Kennedy Town together with a live stock landing were completed to cope level and approximately one acre of the area at the back of the sea wall was reclaimed. About 300 feet of sea and quay walling were completed at Ma Tau Kok and an area of approximately one acre reclaimed. The rubble foundations of the sea wall at Kun Tong were extended a distance of 800 feet, making a total of 3,500 lineal feet and the sea wall to protect the southern section of the reclamation was constructed for a distance of 900 lineal feet. Over 2,000,000 cube yards of harbour dredging have been dumped within the protected area bringing an area of about twenty acres up to the level of low water approximately.

ELECTRICAL WORKS.

19. Works in hand or completed were:—Installations for the new buildings constructed under the Architectural Office and rewiring a number of Hospital, Police and Quarters etc. blocks in Hong Kong and Kowloon.

20. Improvements and additions were made in twenty-two buildings in Hong Kong, six buildings in Kowloon and five buildings in New Territories. Sixty fans and thirteen telephones were installed in various buildings. Illumination work was carried out in connection with the Jubilee Celebration.

21. Sections of submarine cable were laid.

22. Wireless:—A beacon transmitter was installed at Cape D'Aguilar. Two new rebroadcasting receivers were received and installed. Two medium/long wave receivers and two short wave receivers were taken into use at Observatory Marine and Meteorological W/T Station. W/T for Air Services is in hand. New Creed transmitters and keyboard perforators were installed in the Radio Telegraph Office. A Government W/T School was started in the General Post Office Building.

23. In addition to minor works the usual maintenance of Wireless Stations, telephones, lights, fans, bells, lifts, ferry pier hoists, traffic lights, etc., was carried out. The installations were all maintained in good order.

BUILDINGS ORDINANCE OFFICE.

24. The volume of new building works coming under the jurisdiction of the Public Health and Buildings Ordinance, shewed a slight decline when compared with 1934. The industry was nevertheless fairly actively engaged.

25. The plans approved were largely for works of alteration and additions to existing domestic buildings. In contrast to this however, many works of magnitude in the nature of Banks, Office Blocks and Factories etc., were dealt with.

26. Amongst the more important works for which plans were approved were:—New Factory of the British American Tobacco Co., Ltd. on Gloucester Road; new quarters at the French Convent, Causeway Bay; new station and flats at the Lower Peak Tramway Station, Garden Road; new Church at Causeway Bay; Industrial School on Third Street; office block at No. 10 Queen's Road, Central; school for the Italian Convent on Caine Road; large block of flats and garages on Plantation Road; new building for the Salesian Fathers on Island Road, Shaukiwan; swimming pool and retaining walls at Repulse Bay; new Central British School on Argyle Street; extension to St. Mary's School on Austin Road; Maryknoll Convent School on Waterloo Road and Boundary Street; sub-station for the China Light & Power Co., Ltd., on Chatham Road; engineering workshop for the China Light & Power Co., Ltd. on Dyer Avenue; site formation for large residential and day school at Hau Pui Loong; motor bus shelters at Tsim Sha Tsui; private hospital on Kiu Kiang Street; widening and lengthening of pier at the Kowloon Wharf & Godown Co., Ltd; Chinese hotel on Nathan Road; and Dispensary on Yee Kuk Street.

27. Buildings of importance completed were:—New Hong Kong & Shanghai Bank on Queen's Road and Des Vœux Road, Central; Cheero Club on Queen's Road, Central; new factory of the British American Tobacco Co., Ltd. on Gloucester Road; extension to the Soldiers and Sailors Home on Hennessy Road; site development and Gasometer for the Hong Kong & China Gas Co., Ltd. at Smithfield; office block and flats at Nos. 3 and 5 Duddell Street; office block at Nos. 15 to 19 Queen's Road, Central; extension to Sincere Co. Building on Des Vœux Road, Central; Bank of East Asia Building on Des Vœux Road, Central; Gold and Silver Exchange on Mercer Street; Lido Bathing Pavilions (1st Section) at Repulse Bay; Theological College on Stubb's Road; Headquarters of the St. John's Ambulance Brigade on Tai Hang Road; Confucius Hall at Sookunpoo; Tungar Printing Press at North Point; Buddhist Temple and Free School on Shan Kwong Road; Industrial School at Aberdeen; "Rest House" at Stanley; Club House at Kowloon Tong; Gas holder and Tar tanks at To Kwa Wan; motor bus shelters at Tsim Sha Tsui; widening and lengthening of pier at the Kowloon Wharf & Godown Co., Ltd.; block of twenty-four European houses at Shamshuipo.

28. Occupation permits were issued for 158 Chinese tenement house, of this number sixty-one were erected in Kowloon and ninty-seven on the Island, of the latter number, eleven were erected on the Praya East Reclamation, making a total to date on this area of 1,016 houses. There was a slight increase in the number of occupation permits issued for European type houses, thirty-five being erected on the Island and fifty-nine in Kowloon.

29. There was a decrease in the number of non-domestic type buildings completed when compared with the returns of the preceding year.

30. The number of water flushed sanitary appliances approved amounted to 2,331.

31. Twelve fires, causing structural damage, were reported. Loss of life was occasioned in two instances. The most disastrous fire occurred at Nos. 1 to 7 Belchers Street. The houses were of old type with wooden floors, stairs and roofs. Casualties at this fire were two deaths and three persons injured. No. 5 Tung Shing Lane and No. 131 Main Street, Shaukiwan, were completely gutted by fire. No casualties occurred. It is of interest to note that fires occurring in houses of reinforced cement concrete construction were not of a serious nature, and were mostly confined to the floor where the fire originated.

32. Seven minor collapses occurred. Only in one instance was loss of life reported.

33. Reclamation of Inland Lots Nos. 3538, 3539 and 3540 and Kowloon Marine Lot No. 102 were completed. Reclamation of Kowloon Marine Lot No. 97 is still in progress.

34. A landslip occurred on Kowloon Inland Lot No. 3311. There were no casualties.

35. The Chinese Cemeteries in Hong Kong, Kowloon and New Kowloon were maintained in good order, provision was made for additional burial areas where required. A new area to be known as New Kowloon Cemetery No. 7, situated to the east of Ngau Shi Wan, has been laid off. Development of this Cemetery will be undertaken during 1936.

Chapter XIII.

JUSTICE AND POLICE

I. THE COURTS OF HONG KONG.

The Supreme Court of Hong Kong consists of a Chief Justice and one or more other judges. At present there is one other judge.

2. The jurisdiction of the Court is regulated by a number of Ordinances but generally it may be said that the Court exercises a Summary Jurisdiction in all actions where the claim does not exceed $1,000 and an Original Jurisdiction in all actions where the claim exceeds that amount.

3. In addition to the above the Court exercises Admiralty, Probate, Divorce, Bankruptcy, Lunacy, Criminal and Appellate Jurisdiction.

4. The following is a brief summary of litigation and matters dealt with during the year 1935:—

2,126 actions were instituted in the Summary Jurisdiction and the amounts for which judgment was given totalled $303,976.00.

353 actions were instituted in the Original Jurisdiction and the amounts for which judgment was given totalled $1,359,593.34.

10 actions were instituted in the Admiralty Jurisdiction.

426 grants were made or grants of other courts sealed in the Probate Jurisdiction.

160 persons were indicted in the Criminal Jurisdiction of whom 122 were convicted.

15 appeals were lodged in the Appellate Jurisdiction 10 of which were disposed of during the year.

Two Criminal appeals were lodged and both were disposed of during the year.

5. The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

6. The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, two for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates.

7. The following figures show the amount of work done by the lower courts in 1935:—

Civil:—	
District Officer North,	
Land Court	40 cases.
Small Debts Court	146 ,,
District Officer, South,	
Land Court	209 cases.
Small Debts Court	96 ,,
Criminal:—	
Hong Kong Magistracy, two courts	34,425 cases.
Kowloon Magistracy, two courts	22,302 ,,
District Officer, North, one court	1,675 ,,
District Officer, South, one court	402 ,,

II. THE POLICE.

8. The Police Force of the Colony is under the control of the Inspector General of Police who is assisted by one Deputy Inspector General and twelve Superintendents. The force consists of four Contingents, European, Indian, and two Chinese, viz., Cantonese and Weihaiwei. The strength of the different Contingents is as follows:—

Europeans	265
Indians	798
Chinese (Cantonese)	712
Chinese (Weihaiwei)	300

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of thirty-seven Russians and twenty-seven Indian Guards including three Sergeants together with four European Sergeants and one hundred and eight Wei-hai-wei

Chinese Constables, who are included in Police Strength. The Anti-Piracy Guards are employed and paid for by the Shipping Companies for service in the China Seas.

9. Further, the department supervises 506 Indian and Chinese Watchmen who are engaged by the Police Department and paid by private individuals for protection of private property. In addition there are 433 Indian and 8 Japanese Private Watchmen Registered at the Guards Offices.

10. The waters of the Colony are policed by a fleet of ten steam launches and five motor boats which employ a staff of two hundred and fifty-five Chinese under European officers.

11. There were 6,373 serious cases of crime in 1935, as against 5,549 in 1934, an increase of 824 cases or 14%. There was an increase of 28 cases in Coinage offences, 11 in Burglary, 315 in Deportation offences, 12 in House and Godown breaking, 656 in Larcenies, 20 in Larcenies from Ship and Wharf, 1 in Kidnapping, 26 in Robbery, 10 under the Women and Girls Ord. There was a decrease of 8 cases under the Arms Ord., 14 656 in Larcenies, 20 in Larcenies from Ship and Wharf, 1 in Embezzlement, 147 in Larceny from Dwelling, 5 in Manslaughter, 8 in Murder, 33 in False Pretences, 14 in "Receiving stolen property," and 13 in other serious offences. There were 33,000 minor cases during 1935, as against 27,733 in 1934, an increase of 5,267 cases or 18%.

III. Prisons.

12. There are three prisons in the Colony. Victoria Gaol in Hong Kong is the main prison for males. This prison is built on the separate system, but segregation is difficult owing to lack of space and accommodation. It contains cell accommodation for 644 only and prisoners are often kept in association through unavoidable overcrowding. There is a branch male prison at Lai Chi Kok near Kowloon, with accommodation for 680 prisoners. In this establishment all the prisoners sleep in association wards and only selected prisoners are sent there as the prison was not originally built as such. It was converted from a Quarantine Station in 1920, for temporary use pending the building of a new prison. The third prison is the prison for females situated near the male prison at Lai Chi Kok. A new general prison for males at Stanley, Hong Kong, is in course of construction.

13. The total number of persons committed to prison in the year 1935 was 16,140 as compared with 13,304 in 1934. The daily average number of prisoners in the prisons in 1935 was 1,796. The highest previous average was 1,610 in 1934. Over 90% of prisoners admitted are persons born outside the Colony.

14. The health of the prisoners generally was well maintained in the prisons.

15. The discipline in all three prisons was good.

16. Prisoners are employed at printing, bookbinding, shoemaking, tinsmithing, matmaking, tailoring, carpentering, weaving, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of the Government printing and bookbinding is done in Victoria Gaol.

IV. REMAND HOMES.

17. During the year 205 boys underwent sentences of detention for various crimes at the Remand Home for Juveniles (Boys), not under Prison administration and 58 girls underwent detention at the Remand Home for girls. The boys are given instruction in elementary reading and writing, as well as in rattan work, which teaches them a trade. The girls are given employment in house-work, laundry, and making and mending clothes. There are recreation facilities at both Homes.

There are also four Probationer Officers, two males and two females.

Lady visitors attend the Female Prison twice weekly to instruct long sentence prisoners in needle work.

18. Visiting Justices inspect and report on the prisons every fortnight.

Chapter XIV.

LEGISLATION.

Fifty-four Ordinances were passed during the year 1935. These and also the Regulations, Rules, By-laws and other subsidiary legislative enactments are published in a separate volume by the Government Printers. The fifty-four Ordinances comprised two appropriation, fifteen replacement, five incorporation, four consolidation, twenty-three amendment and five which were new to the Colony.

2. The Appropriation Ordinance No. 40) applied a sum not exceeding $23,840,416 to the public service for the year 1936, and Ordinance No. 30 appropriated a supplementary sum of $635,424.27 to defray the charges of the year 1934.

3. Of the fifteen replacement Ordinances, the Urban Council Ordinance (No. 7) substituted an Urban Council for the Sanitary Board, and repealed various Public Health and Buildings Ordinances. The Adulterated Food and Drugs Ordinance (No. 8) replaced the Sale of Food and Drugs Ordinance, 1896. The

Public Health (Quarantine and Prevention of Disease) Ordinance, (No. 12), repealed certain portions of the Merchant Shipping Ordinance, 1899, and enacted new provisions regarding quarantine and the prevention of disease among human beings. The Public Health (Food) Ordinance (No. 13) granted wider powers to the Urban Council for the maintenance of public health in relation to food than the similar powers possessed by its predecessor, the Sanitary Board. Similarly under the Public Health (Sanitation) Ordinance (No. 15), the Public Health (Animals and Birds) Ordinance (No. 16), the Buildings Ordinance (No. 18) and the Hawkers Ordinance (No. 22), the Urban Council was given more effective powers than those possessed by the Sanitary Board for the control of sanitation, animals and birds, buildings, and hawkers. The Lepers Ordinance (No. 25) replaced the Lepers Ordinance, 1910. The Falsification of Documents Ordinance (No. 33) replaced the Corrupt Practices (Documentary) Ordinance, 1865. The Official Signatures Fees Ordinance (No. 37) replaced various Official Signatures Fees Ordinances. The Prevention of Cruelty to Animals Ordinance (No. 44) replaced the Live Stock Import and Export Ordinance, 1903, making more effective provision for the protection of animals. The Infants Custody Ordinance (No. 48) replaced the Infants Custody Ordinance 1886. The Separation and Maintenance Ordinance (No. 49) replaced the Married Women (Desertion) Ordinance, 1905, and the Sand Ordinance (No. 50) replaced the Sand Ordinance, 1934.

Ordinances Nos. 7, 8, 9, 13, 15, 16, 18 and 22 did not come into operation until the 1st January, 1936.

Ordinance No. 12 never came into operation and was repealed and replaced by a new Ordinance early in 1936.

4. Ordinance No. 3 incorporated the Director of the Ambulance Department of the Order of St. John in Hong Kong and the Treasurer and Secretary of the Hong Kong Branch of the St. John Ambulance Association as Custodian Trustees of the Hong Kong Branch of the St. John Ambulance Association. Ordinance No 4 incorporated the Cheero Club of Hong Kong. Ordinance No. 47 incorporated the Hong Kong Travel Association.

Ordinance No. 51 incorporated the Hong Kong Branch of the Girl Guides Association. Ordinance No. 53 incorporated the Administrator in Hong Kong of the Catholic Mission of Macao. These Ordinances followed the usual lines in such cases.

5. The following Ordinances, viz:—Larceny (No. 32), Dangerous Drugs (No. 35), Deportation of Aliens (No. 39) and Medical Registration (No. 41), consolidated and to some extent amended the existing law on these subjects.

6. The twenty-three amending Ordinances covered a wide range of subjects, viz:—Asylums (No. 1), Public Health and Buildings (No. 2), Tobacco (No. 5), Tung Wah Hospital (No. 6), Boarding House (No. 9), Rating (No. 10), Liquors (No. 11), Telephone (No. 14), Peak Tramway (No. 17), Magistrates (No. 18), Stamp (No. 20), Jury (No. 21), Immigration and Passports (No. 23), Companies (No. 24), Merchant Shipping (No. 28), Pensions (No. 29), Crown Solicitors (No. 31), Summary Offences (No. 36), Estate Duty and New Territories Regulation (No. 38), Defence Contribution (No. 43), Volunteer Amendment (No. 45), Probates (No. 46), Ferries (No. 52).

Ordinance No. 38 does not come into operation until 1st January 1937.

7. Similarly the subsidiary legislation covered a wide range of subjects including:—Public Places Regulation, Foreign Recruiting, Marriage, Merchant Shipping, Civil Procedure, Public Health and Buildings, Vehicles and Traffic Regulation, Importation and Exportation, Post Office, Dogs, Motor Spirit, Nurses Registration, Liquors, Juvenile Offenders, Industrial and Reformatory Schools, Pensions, Factories and Workshops, Police Force, Prisons, Cremation, Adulterated Food and Drugs, Buildings, Dangerous Drugs, Air Navigation.

8. The Ordinances new to the Colony were the Tokens Ordinance (No. 26), the Lunacy (Payment of Public Allowances) (No. 27), False Personation (No. 34), Dollar Currency Notes (No. 42) and Currency (No. 54). Of these Ordinances No. 26 prohibited the making, issuing and circulating of metal tokens in the Colony, Ordinance No. 27 regulated the manner of payment of emoluments, pensions, etc., to persons certified mentally incapable of managing their affairs, Ordinance No. 34 provided penalties for persons convicted of false personation, Ordinance No. 42 empowered the Treasurer to issue one-dollar currency notes in the Colony, and Ordinance No. 54 provided for the establishment and management of an Exchange Fund.

Chapter XV.

PUBLIC FINANCE & TAXATION.

The following tables show the Revenue and Expenditure for the five years 1931 to 1935 inclusive.

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit.*
1931	$33,146,724	$31,160,774	$1,985,950	——
1932	33,549,716	32,050,283	1,499,433	——
1933	32,099,278	31,122,715	976,563	——
1934	29,574,286	31,149,156	——	$1,574,870
1935	28,430,550	28,291,636	138,914	——

2. The revenue for the year 1935 amounted to $28,430,550 being $2,155,100 less than estimated and $1,143,736 less than the revenue obtained in 1934.

3. Duties on imported liquor and tobacco were less than estimated as they are on a sterling basis and were reckoned on an exchange rate of $1 = 1/4 whereas the average rate throughout the year was over 1/11. Assessed Taxes fell short of the estimate by $169,609 due to vacant tenements, and large shortfalls were shown in the Opium Monopoly of $297,286 due to competition of illicit opium; in Stamp Duties of $132,349 owing to trade depression. Receipts from the Kowloon-Canton Railway were also $281,225 less than estimated owing to river boat competition and fewer local passengers to Shum Chun. Land Sales again were much below the estimate. Increases were shewn under Water Excess and Meter Rents due to more metered services. China Companies Registrations were up by $51,576. Market fees also showed an increase of $45,440 as new markets were opened.

4. The expenditure for the year 1935 amounted to $28,291,636 being $4,264,466 less than estimated and $2,857,520 less than the expenditure in 1934.

5. Ordinary expenditure amounted to $25,030,568, Public Works Extraordinary to $2,801,919 and Naval Arsenal Yard & Kellet Island to $459,149. Large savings were made under Personal Emoluments when compared with estimates, provision being made for $12,701,739 but only $10,248,600 was expended. Under Other Charges savings were also effected the total provision being $4,632,853 against $3,730,038 expended.

6. *Debt.*—The public debt of the Colony consists of two issues. The 4% Conversion Loan raised in 1933 amounting to $4,838,000, the Sinking Fund of which, established in 1934, amounted on 31st December, 1935, to £31,222.4.4. Secondly the 3½% Dollar Loan raised in July, 1934. Bonds to the amount of $14,000,000 were issued at 99% producing $13,860,000. This loan is redeemable by drawings at par in each of the twenty-five years commencing in 1935 at the annual rate of one twenty fifth of such issue. During the year $560,000 was redeemed thus reducing the amount outstanding to $13,440,000. Ordinance No. 11 of 1934 governs this issue and authorises the Governor to borrow up to a total of $25,000,000. The total public debt of the Colony on 31st December, 1935, amounted to $18,278,000 equal to about 9 months revenue as things are at present.

7. The Assets and Liabilities of the Colony on the 31st December, 1935, are shewn in the following statement:—

LIABILITIES.	$ c.	ASSETS.	$ c.
DEPOSITS:—		ADVANCES:—	
Contractors and Officers Deposits	533,338.40	Purchase of three Locomotives for Chinese Section Kowloon Canton Railway	27,468.26
Suitors Fund	10,436.05	Miscellaneous	258,639.18
Insurance Companies	1,713,304.57	Pending Re-imbursements from future loan	4,182,298.66
Miscellaneous Deposits	1,830,312.85	Building Loans	776,220.94
House Service Account	26,873.51	Imprest Account	50,828.31
		Subsidiary Coin	135,347.75
		Note Issue Account...	1,280,000.00
Government House and City Development Fund	836,407.12	Crown Agents Remittances	1,069.63
Trade Loan Reserve.	1,080,801.79	Trade Loan Outstanding	548,500.50
Praya East Reclamation	112,175.27	Nickel Coinage Account	573,500.00
Coal Account	6,155.14	Exchange Adjustment	23,197.49
Note Security Fund.	1,280,000.00	Unallocated Stores, (P.W.D.)	519,408.60
Nickel Coinage Security Fund	573,500.00	Unallocated Stores, (Railway)	137,495.69
		Suspense Account	269,793.38
		Cash Balance:—	
		Treasurer	3,089,636.07
		Crown Agents	35,495.82
Total Liabilities.	8,003,304.70	*Joint Colonial Fund	256,000.00
Excess of Assets over Liabilities ...	12,387,668.51	Fixed Deposits:— General ....$6,050,000.00 Insurance Companies 1,713,304.57 Miscellaneous 462,768.36	8,226,072.93
Total.........$	20,390,973.21	Total.........$	20,390,973.21

---

*Joint Colonial Fund £18,000 0s. 0d.

8. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of $6,130,391 being collected in 1935. This represents 21.56% of the total revenue or 21.75% of the revenue exclusive of land sales. The rates vary from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues and Buoy Dues brought in the sum of $485,607.

9. Duties on intoxicating liquors realized $1,573,324, tobacco $2,703,866, postage stamps and message fees $1,759,660. A considerable sum is also derived from the opium monopoly, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realized $244,957. The receipts of the Kowloon-Canton Railway which was completed in 1910 amounted to $1,411,675.

10. *Customs Tariff.*—There is an import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

11. The duties on imported liquor range from $0.60 per gallon on beer to $1.20 on Chinese liquor and to $10 on sparkling European wines. The duties are collected on a sterling basis, the conventional dollars in the tariff being converted at a rate which is varied from time to time according to the market rate of exchange between the local dollar and sterling. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

12. The duties on tobacco range from $0.63 per lb. on the lowest taxed unmanufactured tobacco to $2 per lb. on cigars. The duties are collected on a sterling basis in the same manner as the liquor duties.

13. A duty of 25 cents per gallon is payable on all light oils imported into the Colony.

14. *Excise and Stamp Duties.*—The same duty is imposed on liquors (mainly Chinese type) manufactured in the Colony as on imported liquors, but prior to March 1935 was not payable on a sterling basis.

15. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly *ad valorem*. The following are examples of the duties charged:—Affidavits, Statutory Declaration, etc., $3; Bills of Exchange (inward) and Cheques 10 cents; Bills of Lading, 15 cents when freight under $5, 40 cents when freight $5 or over; Bond to secure the payment or repayment of money, 20 cents for every $100 or part thereof; Conveyance on sale, $1 for every $100 or part thereof; Mortgages, principal security, 20 cents for every $100 or part thereof; Life Insurance Policy, 25 cents for every $1,000 insured; Receipt, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

16. No Hut Tax or Poll Tax is imposed in the Colony.

R. A. C. North,

Colonial Secretary.

Appendix.

LIST OF PUBLICATIONS OF GENERAL INTEREST RELATING TO HONG KONG.

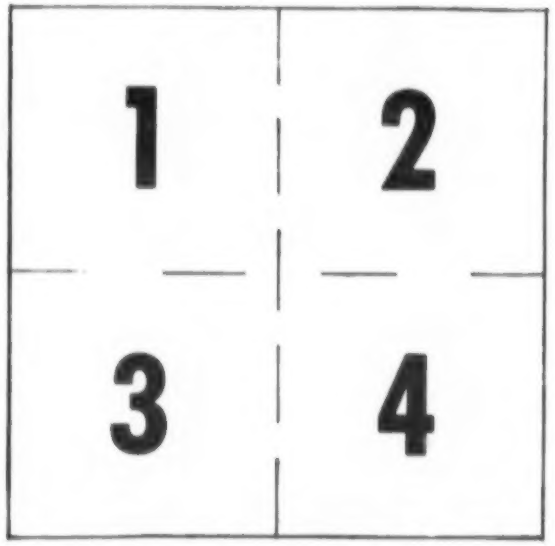
Title.	Price.	Agents for sale.
	$	
Sessional Papers (Annual)	2.00	Colonial Secretariat and Government Printers.
Blue Book (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents for the Colonies, London.
Ordinances-Ball's Revised Edition (In 6 Volumes) 1844-1923	90.00	Do.
Regulations of Hong Kong 1844-1925	30.00	Colonial Secretariat.
Ordinances and Regulations (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents.
Administration Reports (Annual)	5.00	Colonial Secretariat.
Estimates (Annual)	3.00	Government Printers.
Government Gazettes (Weekly)	.50	Government Printers and Crown Agents.
Meteorological Bulletin (Monthly)	10.00 per annum	Government Printers.
Hong Kong Trade and Shipping Returns (Monthly)	2.00	Government Printers and Crown Agents.
Do. (Annual)	2.00	Do.
Hansards (Annual)	5.00	South China Morning Post, Hong Kong.
Historical & Statistical Abstract of the Colony of Hong Kong 1841-1930	4.00	Colonial Secretariat.
The Hong Kong Naturalist (Quarterly)	2.00	Hong Kong University.
Hong Kong: A Guide Book	1.00	Kelly & Walsh, Ltd. and Brewers' Bookshop, Hong Kong.
Hong Kong: Around and About, by S. H. Peplow & M. Barker	5.00	Do.
Echoes of Hong Kong & Beyond by L. Forster	1.50	Do.

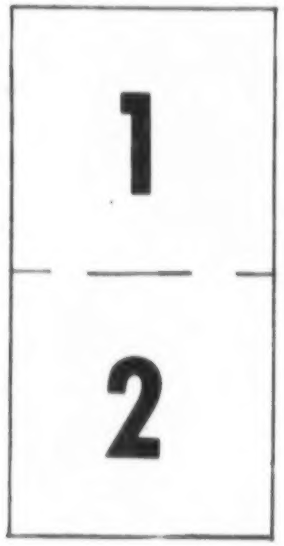
APPENDIX,—*Contd.*

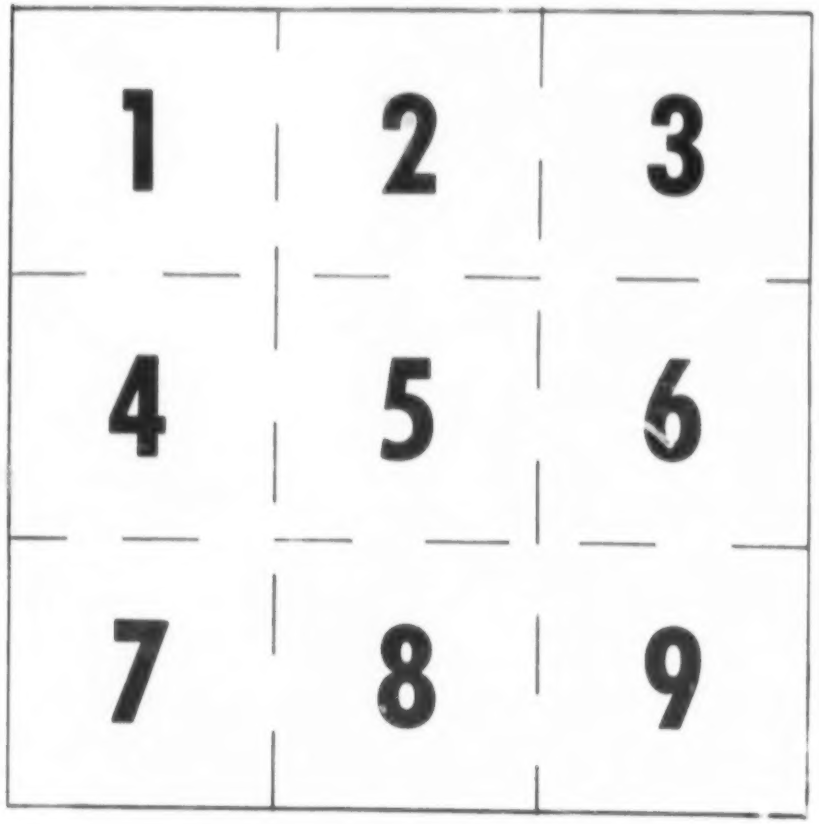
Title.	Price.	Agents for sale.
	$	
Picturesque Hong Kong	1.25	Brewers' Bookshop.
The Tourist Guide 1936	1.25	Do.
The Dollar Directory 1936	1.00	Do.
A Hong Kong Sketch Book	2.50	Kelly & Walsh, Ltd.
Hilly Hong Kong	1.00	Do.

Sections on Hong Kong will be found in the annual "China Year Book" published by the North China Daily News and Herald Ltd., Shanghai (London Agents Simpkin Marshall Ltd.) price $20.00, and the annual "Directory and Chronicle of China, Japan etc." published by the Hong Kong Daily Press at Hong Kong, Price $12.00 and obtainable at their London office at 53, Fleet St., for £2.

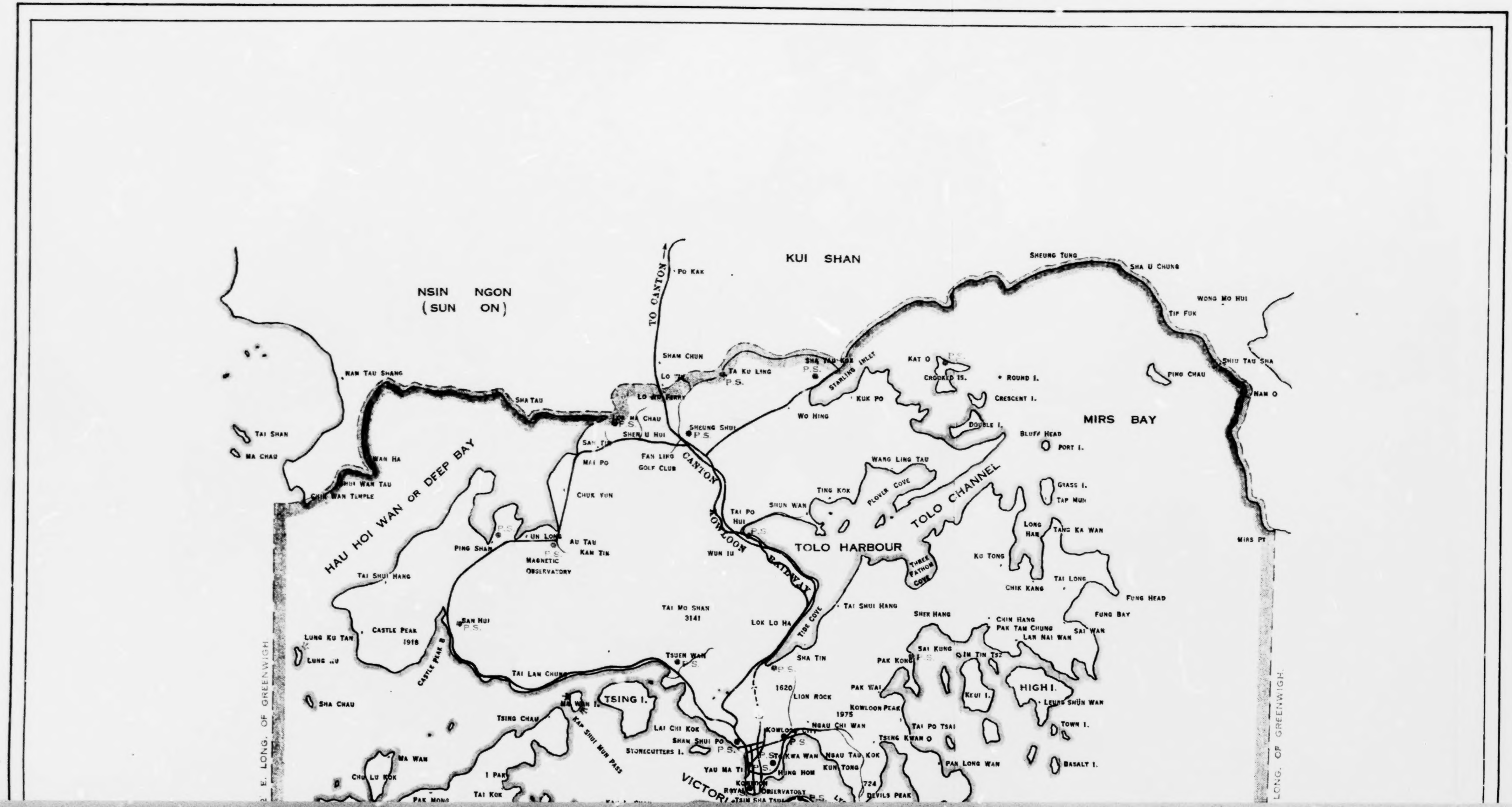
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







MAP OF HONG KONG AND NEW TERRITORIES.


NSIN NGON
(SUN ON)
KUI SHAN
TO CANTON
Po Kak
Sheung Tung
Sha U Chung
Wong Mo Hui
Tip Fuk
Nam Tau Shang
Sham Chun
Lo Wu
Ta Ku Ling
P.S.
Sha Tau Kok
P.S.
Starling Inlet
Kat O
P.S.
Crooked Is.
Round I.
Ping Chau
Shiu Tau Sha
Nam O
Sha Tau
Lo Wu Ferry
Kuk Po
Crescent I.
Lok Ma Chau
P.S.
Wo Hing
Double I.
MIRS BAY
Tai Shan
Sheung Shui
P.S.
Sheung U Hui
Bluff Head
San Tin
Port I.
Ma Chau
Wan Ha
Fan Ling
Golf Club
Mai Po
CANTON
Wang Ling Tau
TOLO CHANNEL
HAU HOI WAN OR DEEP BAY
Shui Wan Tau
Chik Wan Temple
Chuk Yun
Ting Kok
Plover Cove
Grass I.
Tap Mun
Shun Wan
Tai Po
Hui
P.S.
Long
Har
Tang Ka Wan
Mirs Pt
P.S.
Un Long
Au Tau
Kam Tin
Ping Shan
P.S.
Magnetic
Observatory
KOWLOON
RAILWAY
Wun Iu
TOLO HARBOUR
Three Fathom Cove
Ko Tong
Tai Shui Hang
Tai Long
Chik Kang
Fung Head
Tai Mo Shan
3141
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Shek Hang
Chin Hang
Fung Bay
Pak Tam Chung
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Lan Nai Wan
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Castle Peak B
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Sha Tin
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Pak Kong
Tai Lam Chung
1620
Lion Rock
Pak Wai
High I.
Sha Chau
Ma Wan I.
Tsing I.
Keui I.
Leung Shün Wan
Kowloon Peak
1975
Tsing Chau
Kap Shui Mun Pass
Lai Chi Kok
Ngau Chi Wan
Tai Po Tsai
Town I.
Shan Shui Po
P.S.
Kowloon City
P.S.
Tseng Kwan O
Stonecutters I.
Ma Wan
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Kun Tong
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Basalt I.
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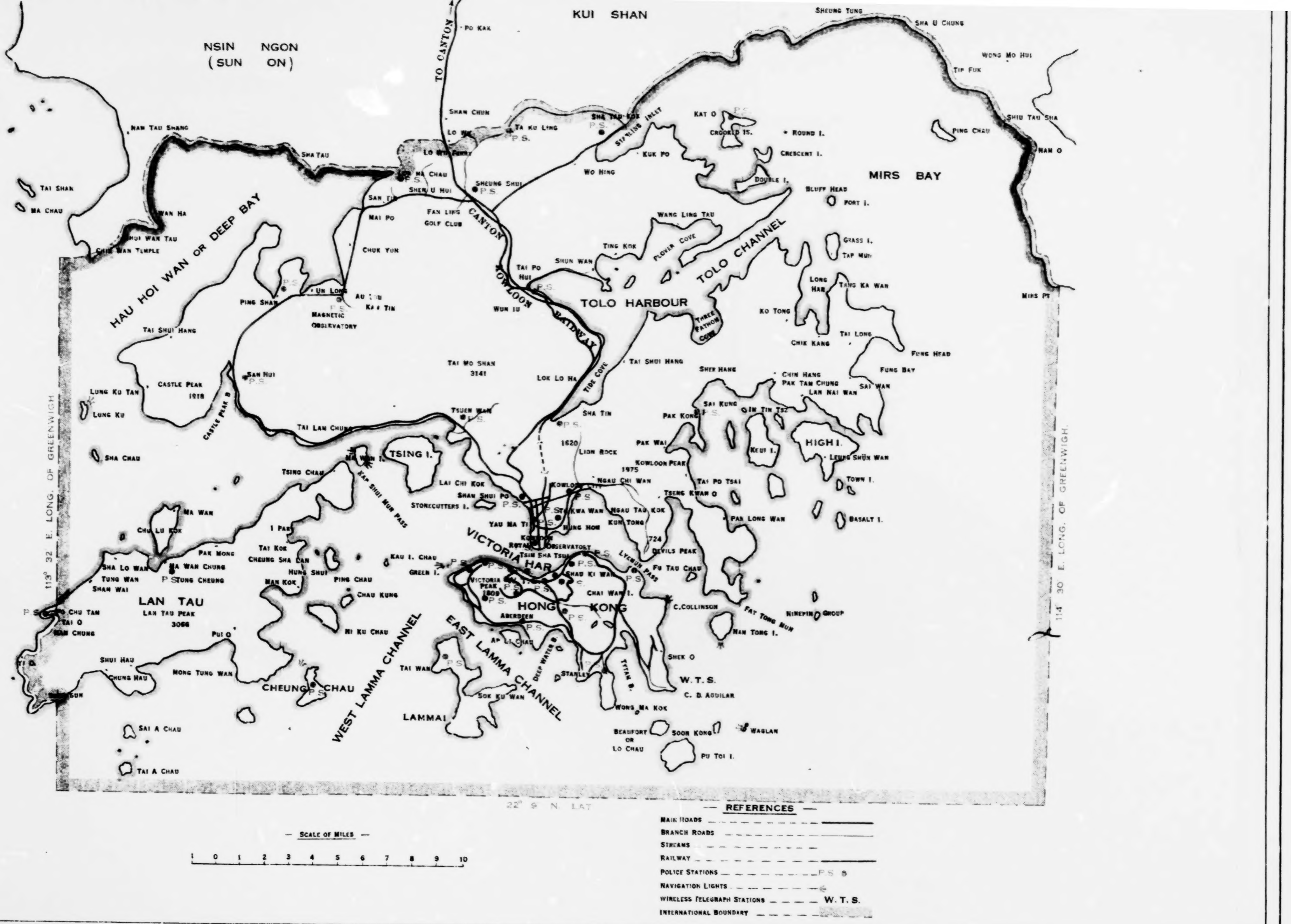
Chu Lu Kok
I Pak
Kowloon
Royal Observatory
724
Pak Mong
Tai Kok
VICTORIA
Tsim Sha Tsui
P.S.
Devils Peak
E. Long. of Greenwich
Long. of Greenwich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NSIN NGON (SUN ON)
TO CANTON
SHEUNG TUNG
SHA U CHUNG
WONG MO HUI
TIP FUK
PO KAK
SHAN CHUN
LO WU
TA KU LING
SHA TAU KOK
STARLING INLET
KAT O
CROOKED IS.
ROUND I.
CRESCENT I.
DOUBLE I.
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MIRS PT
KO TONG
TAI LONG
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FUNG HEAD
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TOWN I.
MA WAN
CHU LU KOK
YAU MA TI
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ROYAL OBSERVATORY
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TO KWA WAN
HUNG HOM
NGAU TAU KOK
KUN TONG
724
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MONG TUNG WAN
CHEUNG CHAU
WEST LAMMA CHANNEL
EAST LAMMA CHANNEL
TAI WAN
LAMMA I.
SOK KU WAN
WONG MA KOK
BEAUFORT OR LO CHAU
SOON KONG
WAGLAN
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SAI A CHAU
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P.S.
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ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF HONG KONG FOR THE YEAR 1936.

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Chapter I.

GEOGRAPHY, INCLUDING CLIMATE AND HISTORY

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area 32 square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

2. The island of Hong Kong was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in July, 1898, the area shown as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The total area of the Colony including the New Territories is about 390 square miles.

3. The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya and elsewhere. It is also the natural distributing centre for imports into China from abroad.

4. The Colony is not primarily a manufacturing centre, the most important of its industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings. Sugar refining and cement manufacture are also major industries, and in recent years considerable quantities of knitted goods, electric torches and batteries, and rubber shoes have been produced and exported.

5. The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95° F. or falls below 40° F. The average rainfall is 85.16 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere is often very high, at time exceeding 95% with an average over the whole year of 79%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

6. The rainfall for 1936 was 69.77 inches. The mean temperature of the air was 71.8° against an average of 71.9°. The maximum gust velocity of the wind was at the rate of 132 m.p.h. from E. on August 17th.

7. The development of Hong Kong as an Airport was a feature of the year. A weekly mail and passenger service by Imperial Airways between Hong Kong and Penang, connecting with the London-Singapore-Australia service, was inaugurated with the arrival on 24th March, of the R.M.A. "Dorado".

On 5th November, a regular mail and passenger service between Hong Kong, Canton and Shanghai was inaugurated by the China National Aviation Corporation.

On 23rd October, the Pan American Airways' "Philippine Clipper" arrived in Hong Kong on an experimental trans-Pacific flight.

8. A Commission appointed by the Secretary of State for the Colonies "to investigate the whole question of Mui Tsai in Hong Kong and Malaya and of any surviving practices in those territories of transferring women and children for valuable consideration, whether on marriage or adoption, or in any other circumstances, and to report to the Secretary of State on any legislative or other action which they may consider practicable and desirable in relation to these matters", and consisting of Sir Wilfrid Woods, Miss Picton-Turbervill and Mr. C. A. Willis, arrived in the Colony on 14th May. After completing its investigations the Commission left Hong Kong on 6th June.

9. His Excellency the Governor, Sir Andrew Caldecott, Kt., C.M.G., C.B.E., paid an official visit to Canton from 17th to 19th September.

The visit was returned by His Excellency General Huang Mu Sung, Chairman of the Kwangtung Provincial Government, and His Honour Mr. Tsang Yang Fu, Mayor of Canton, who arrived in Hong Kong on 4th November and left on 6th November.

10. His Excellency Vice-Admiral Sir Charles Little, K.C.B., arrived in the Colony on 9th January to assume the post of Commander-in-Chief, China Station, in succession to Admiral Sir Frederic Dreyer, K.C.B., C.B.E.

11. The Hon. Mr. N. L. Smith returned to the Colony on 26th November to assume the post of Colonial Secretary in succession to Sir Thomas Southorn, K.B.E., C.M.G. who departed on leave on 2nd May prior to assuming the post of Governor and Commander-in-Chief of the Gambia.

12. Among the Honours conferred by His Majesty during the course of the year were:—

C.M.G. The Hon. Mr. Edwin Taylor.
O.B.E. (Civil Division) Dr. W. B. A. Moore.
M.B.E. Dr. R. McLean Gibson.

Chapter II.

GOVERNMENT.

The Government is administered under Letters Patent of 14th February, 1917, and Royal Instructions of the same and subsequent dates, by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, all of whom are members ex-officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are also members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are the Inspector General of Police, the Harbour Master, and the Director of Medical Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council.

2. The Urban Council composed of five official and eight unofficial members has power to make by-laws under the Public Health (Food) Ordinance, the Public Health (Sanitation) Ordinance and the Public Health (Animals and Birds) Ordinance in matters appertaining to public health, subject to an overriding power in the Legislative Council.

3. There are a number of advisory boards and committees such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board, etc., composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

4. The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

5. The daily administration is carried out by the twenty-eight Government departments, all officers of which are members of the Civil Service. The most important of the

purely administrative departments are the Secretariat, Treasury, Secretariat for Chinese Affairs, Post Office, Harbour, the Imports and Exports, Police and Prisons departments. There are seven legal departments, including the Supreme Court and the Magistracies. Two departments, Medical and Sanitary, deal with public health, one, Education, with education; and one, the largest of all the Government departments, Public Works, is concerned with roads, buildings, waterworks, piers and analogous matters.

6. There have been no changes in the system of Government in the year under review.

Chapter III.

POPULATION AND BIRTHS AND DEATHS.

Variation in population in Hong Kong is more dependent on immigration and emigration than on births and deaths. Movements to and from the Colony are influenced by events in China and owing to the large numbers who come and go daily it is impossible to give more than a very rough estimate of the actual population, except during census years.

2. The following table shows the estimated population for the Colony for the middle of 1936.

Non-Chinese (mostly resident in Victoria and Kowloon).	21,832
Chinese in Victoria	382,119
Chinese in Hong Kong Villages	50,605
Chinese in Kowloon and New Kowloon	327,858
Chinese in junks and sampans	100,000
Chinese in New Territories	105,776
Total	988,190

3. During the year 2,977,205 persons entered and 2,987,772 persons left the Colony, making a daily average of 8,134 arrivals and 8,163 departures. The daily average for 1935 was 9,171 arrivals and 9,348 departures.

4. Since 1932 registration of Births and Deaths in the New Territories has been more fully enforced. The introduction of the new Births and Deaths Ordinance in the latter half of 1934 by improving facilities for registration on the one hand and checking on the other brought about an appreciable increase in registrations. This was particularly noticeable in the New Territories where the births registered during 1936 were 3,317 as compared to 587 in 1932.

5. The number of births registered was:—

	1935.	*1936.*
Chinese	24,510	26,853
Non-Chinese	527	530
Total	25,037	27,383*

* Includes 272 registered after 12 months.

6. The deaths registered among the civil population number 26,356 (Including 976 stillbirths) giving a crude death rate of 26.6 per mille as compared with 22.90 for the previous year.

	Deaths.	*Estimated Population.*	*Death rate per mille population.*
Non-Chinese	236	21,832	10.8
Chinese	26,120	966,358	27.0

There were 17 deaths among H.M. Forces during the year.

7. The number of deaths of infants under one year was Chinese 9,905, Non-Chinese 19. If the figures for Chinese births represented the total births, which they do not, the infantile mortality figure for the Chinese would be 372.42 as compared with 316.36 in the previous year. The infantile mortality figure among non-Chinese was 38.83 as compared with 56.92 in 1935.

Chapter IV.

PUBLIC HEALTH.

In the absence of some general system of registration of sickness, the only sources of information available for gauging the state of the public health in this Colony are the returns relating to deaths, the notifications of infectious diseases and the records of Government and Chinese hospitals. Judging from the death returns the health of the Colony was not quite so good as that of the previous year. The crude death rate was 26.68 per mille as compared with 22.90 for 1935.

2. Respiratory diseases accounted for 39.70 per cent of the total deaths, the percentage for 1935 was 41.62. The principal diseases causing death were broncho-pneumonia, pulmonary tuberculosis, bronchitis, infantile diarrhoea and diarrhoea. The overcrowded houses, the expectorating habits of the people and poverty furnish sufficient explanation for the prevalence of respiratory troubles.

3. *Pulmonary Tuberculosis.*—This disease continues to rank second to broncho-pneumonia as the principal cause of death. It is probable that some of the cases of the latter were of tuberculous origin. The total number of deaths was 2,416; that for 1935 was 2,237. The death rate per mille was 2.44 as compared with 2.31 for 1935.

4. There is need for more hospital or infirmary accommodation for tuberculosis patients, especially for those of the poorer classes.

5. *Malaria.*—Owing to efficient drainage methods this disease has disappeared from the greater part of the urban districts. It still persists, however, in the suburbs and in the rural areas. There are parts of the New Territories where the spleen rate is as high as 41 per cent.

6. Malaria not being a notifiable disease the incidence figures are unknown. The cases admitted to the Government Hospitals numbered 581 as compared to 384 in the previous year. The percentage of deaths to cases admitted was 3.6%. Among the Chinese Hospitals there were 1,341 admissions with a case mortality rate of 18 per cent.

7. The total number of deaths attributed to this disease was 503, giving a death rate 0.50 per mille over the whole population. The low death rate is, of course, due to the fact that the great bulk of the population residing in the drained urban area is not subject to risks of infection. If figures for local districts were available it would be found that in some areas the incidence and death rates were very considerable.

8. During the year the Malaria Bureau continued its investigations into the life history, habits and carry powers of the local anophelines. The results obtained were both interesting and instructive. As in previous years there was no obstruction from the local Chinese, on the contrary they took an interest in the proceedings and showed their eagerness to be of assistance. The Chinese Inspectors have shown ability and zeal.

9. The Bureau co-operated with the military authorities, the Royal Air Force, the Sanitary Department, the Public Works Department and the construction engineers at the Shing Mun Dam.

At the Shing Mun Dam construction works where more than 2,000 labourers were employed the casualty rate from malaria continued to remain at a very low figure. The daily average percentage of workers off duty from sickness was less than five.

INFECTIOUS DISEASES.

10. During the year there were reported 23 cases of smallpox 123 cases of cerebro-spinal fever, 375 cases of diphtheria and 418 cases of enteric. There were no cholera cases.

11. *Smallpox.*—Every year in the cold season this disease manifests itself in outbreaks which are sometimes sporadic, sometimes epidemic. Whatever the prevalence there is always a tendency for the morbidity rate to decline or disappear with the advent of summer. In the year under review there were 23 cases and 16 deaths as compared with 61 and 44 respectively in 1935. 11 cases only were treated in hospital; the remainder did not come under the notice of the authorities until after death.

12. The vaccination campaign was continued and during the year 274,784 persons were vaccinated. Valuable assistance was afforded by the St. John Ambulance Brigade and by the Chinese Public Dispensaries. Both bodies engaged in active propaganda and through their efforts many were persuaded who otherwise would have kept aloof. The various sections of the Brigade again carried out street vaccination with excellent results.

13. The Chinese have a preference for vaccination being done in the spring, which they regard as the most auspicious season. For a month or two after Chinese New Year the Chinese Public Dispensaries are crowded with children waiting to be vaccinated.

14. Many Chinese still hold the opinion that the herbalist treatment of smallpox gives better results than the methods adopted by practitioners qualified in Western medicine. An analysis of the statistics of (*a*) the Tung Wah Infectious Diseases Hospital where only herbalist treatment is carried out and (*b*) the Government Infectious Diseases Hospital where western treatment only is provided shows that this view is not correct.

15. *Plague.*—For the last seven years no cases of plague have been reported in Hong Kong. The disappearance of this disease not only from this Colony but from the greater part of China and its decline throughout the world are due to factors which are not understood.

16. Systematic rat-catching and periodical cleansing of houses were carried out throughout the year. The total number of rats collected was 212,947 of which 17,967 were taken alive, as compared with 192,251 and 21,820 in 1935. The number collected each year shows that there is no diminution in the rat population. All the rats collected were sent to the Public Mortuary for examination. None was found infected.

17. *Cerebro-spinal Fever.*—Altogether 123 cases were reported with 65 deaths. No special foci of infection were discovered and few instances where one could trace the source of infection. The cases were treated in the general hospitals without any instance of spread of infection. Sera manufactured at the Bacteriological Institute were used therapeutically.

18. *Diphtheria.*—With regard to diphtheria there is little to be said. The cases were sporadic and the sources of infection were seldom discovered. 375 cases were reported as compared with 266 in 1935.

19. *Enteric.*—What has been said of diphtheria applies to enteric. The incubation period being so long and the possible sources of infection so numerous there is little chance of tracing in any cases the source of infection. 418 cases were reported as compared with 319 in 1935.

20. *Leprosy.*—A new lepers Ordinance (Ordinance No. 25 of 1935) was enacted and passed on the 13th of June, 1935.

Prior to 1935 there was no place set apart in the Colony for use as a leper settlement. In May of 1935, however, temporary arrangements were made whereby lepers could be admitted to the Tung Wah Infectious Diseases Hospital at Kennedy Town. They are fed by the Tung Wah Hospital Committee at Government expense and treated by a Government Medical Officer. There were 129 admissions during 1936 (106 M. 23 F.) of whom 82 were transferred to Sheklung.

21. *Rabies.*—No human cases were reported during the year. One infected dog was reported from the New Territories.

22. *Dysentery.*—During November there occurred a serious epidemic of Shiga Dysentery.

The outbreak commenced on the 8th of November when twelve European children developed symptoms so severe that seven of them subsequently died.

From the 8th up to and including the 19th there were forty seven cases all but four of whom were European children under ten years of age. The causative organism was in twenty-five cases proved to be the bacterium dysenteriae of Shiga, in four that of Flexner and in the remainder the organism was not isolated and identified though in the majority of cases the severity of the symptoms pointed strongly to Shiga infection.

There were altogether eight deaths seven of which as mentioned above were cases which developed symptoms on the 8th. The remaining death was that of a Chinese infant the son of a Chinese servant engaged in a house where two children had died of the disease.

There being some indication that the infection was milk borne the public were advised to boil all milk and the various dairies were instructed to take special precautions. One of them the Dairy Farm decided to institute pasteurisation of all milk and cream before issuing thus obviating any risk there might be of infection spreading from that source.

It having been ascertained that all the twenty-four cases taken ill on the 8th and 9th had consumed a special brand of mild designated "Nursery Milk" issued by the Dairy Farm—special attention was directed to this institution. The fact that thousands of individuals had daily consumed milk from this dairy without suffering any deleterious effects showed that the milk as a whole had not been at fault. It was assumed that one batch of nursery milk had accidently become infected with Shiga bacilli, a thorough inspection of the premises failed to bring to light any source of contamination.

The farm could fairly be described as a high class institution where special precautions were taken to produce a clean milk. It appeared to be the case that the milk was handled in a sanitary manner from the cow to the consumer and would be called Grade A in England.

A search was made to discover the source of infection and the stools of 113 workers were examined in an endeavour to find among them any Shiga carriers. No Shiga bacilli were isolated from any of the stools.

THE DUMPING OF THE DEAD.

23. The number of bodies reported by the police as dumped was 1,091 as compared with 1,038 in 1935. In an endeavour to stop this practice chambers for the deposit of corpses have been established at all the Chinese Public Dispensaries. In some cases the top of the table is so arranged that the weight of a body on it closes an electric circuit which rings a bell in the caretaker's room.

HOSPITALS.

24. *The Government Civil Hospital.*—The Hospital consists of three blocks and contains 225 beds in 23 wards. About one half the accommodation has been placed under the care of the clinical professors of the University who have been gazetted respectively Surgeon, Physician and Obstetric Physician to the Hospital.

The number of in-patients in 1936 was 5,875 as compared with 5,047 in the previous year.

25. Attendances at the general clinics for out-patients numbered 55,532 as compared with 50,685 in the previous year. In addition there were 47,734 attendances at clinics for special subjects such as those in connection with children's diseases, opthalmology, ear, nose and throat work, venereal diseases, etc. Much of the work connected with outpatients was done by the University staff.

26. Attached to the hospital is a Maternity Hospital of 21 beds. There were 1,010 cases in 1936 and 1,056 in 1935. With the exception of 224 cases attended by the Government Medical Officers all the cases were under the care of the University Professor and his assistants.

27. *Mental Hospital.*—Situated close to the Government Civil Hospital is the Mental Hospital which is under the direction of the Medical Officer in charge of the Government Civil Hospital. There are separate divisions for European and Chinese. The European section contains 14 beds and the Chinese section 18 beds. This hospital is mainly only a temporary abode for mental cases, those of Chinese nationality being sent to Canton, and those of other nationalities repatriated to their respective countries. There were 419 cases in 1936 and 350 in 1935. The daily average number of patients for 1936 was 58.

28. *Government Infectious Diseases Hospital.*—This hospital situated on the Western outskirts of the City of Victoria is the only Government Institution of its kind for the whole Colony. Formerly a Police Station it contains only 26 beds. 13 cases were admitted in 1936 as compared with 1 case in 1935.

29. *Kowloon Hospital.*—The accommodation at this hospital, which is situated on the Mainland, is 131 beds. It consists of four two storied blocks, one of which is reserved for Maternity cases.

The opening of the Maternity Block in 1934 filled a long felt want as there was no provision on the mainland for European women. Private patients may be attended by their own doctor if they so desire. During the year 1,137 patients were treated.

The number of inpatients in 1936 was 3,367 as compared with 3,077 in 1935.

The new Out-Patients Department situated at the Main Gate was opened on 11th March, 1935.

The total attendances at the Out-Patient Department numbered 62,502 (54,194 in 1935 of these 25,796 were new cases; 13,591 were old cases. The remaining 23,115 were dressings.

30. *Victoria Hospital.*—Situated on the Peak, this hospital overlooks the city of Victoria and has a clear view across the harbour of the territory on the mainland.

There are 46 beds in the General Block and 26 in the Maternity Block.

During 1936, 644 cases were treated, 579 in the General Block and 65 in the Maternity Block; the number in 1935 being 490, made up of 424 General and 66 Maternity cases. Maternity patients may be attended by their own doctor if they so desire.

The total number of outpatients during the year 1936 was 1,064.

31. *Tsan Yuk Hospital.*—This Maternity Hospital was formerly part of the organisation financed and managed by the Chinese Public Dispensaries Committee and was handed over to Government as a free gift on 1st January, 1934.

The care of the patients is under the general supervision of the University Professor of Obstetrics who is also a Government Consultant. The University Medical students receive training there.

There are 60 beds, of which 46 are reserved for maternity cases and 14 for gynaecological cases.

During the year 1,636 cases were admitted to the Maternity section and 264 to the Gynaecological sections, a total of 1,900 admissions.

In the out-patients department, 4,172 people attended during the year. Separate Gynaecological, Infant Welfare and Anti-Natal Clinics were held in which 1,279, 2,494, and 399 cases respectively were treated or advised.

32. *The Chinese Hospitals.*—Tung Wah, Tung Wah Eastern, Kwong Wah—are hospitals which are maintained by the Tung Wah Charity Organisation, a purely Chinese body. These institutions, which are assisted by Government, are under inspection by the Government Medical Department. Each has as its Medical Superintendent a Chinese Medical Officer who is paid by Government. The Medical staff consists of Chinese Medical Officers, qualified in Western Medicine, and Chinese Herbalists.

The patient is given his choice of treatment.

HOSPITAL.	No. of beds.	No. treated in 1936.		No. treated in 1935.	
		Western Medicine	Chinese Herbalist Medicine	Western Medicine	Chinese Herbalist Medicine
Tung Wah—General..	446	9,251	5,723	7,088	4,984
Maternity.	24	2,034	—	1,833	—
Kwong Wah—General	267	9,155	4,436	7,296	3,364
Maternity.	59	4,173	—	4,439	—
Tung Wah Eastern—General.	222	5,110	2,715	4,778	2,185
Maternity.	14	1,120	—	1,154	—

33. *Tung Wah Infectious Diseases Hospital.*—Situated in Kennedy Town and adjacent to the Government Infectious Diseases Hospital is the Tung Wah Infectious Diseases Hospital, an institution containing 30 beds where 60 patients could be accommodated at a pinch. The treatment here was left almost entirely to the herbalists.

During the year, there were no cases of Smallpox treated.

TREATMENT OF OPIUM ADDICTS.

34. At the Government Civil Hospital and Tung Wah Eastern Hospital six and twelve beds (respectively) are reserved for the treatment of opium addicts, the Government being responsible for the expenses incurred. 41 cases were treated at the former institution and 404 at the latter, making a total of 445 cases.

Chapter V.

HOUSING.*

In recent years some evidence has been shown amongst the artizan class of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. This class of labour has to find its habitat as close as possible to the scene of its labour, with the result that the western part of the City of Victoria, which houses the native business quarter and closely adjoins the portion of the harbour handling the traffic from the West River and Chinese Coast Ports, is seriously overcrowded.

2. These conditions which were being slowly mitigated by the rebuilding of properties which from time to time were condemned for reasons of structural defects are now being more rapidly appeased by the operation of the Buildings Ordinance, 1935, which came into force on the 1st January, 1936. Overcrowding amongst the labouring class is still however prevalent.

3. The housing of the Colony is all privately owned, and control is maintained by the operation of the Buildings Ordinance, 1935, the provisions of which also mould the character of the housing. Generally the houses are built back to back in rows and are separated by a scavenging lane. These houses vary in height from two to four storeys according to the width of the street on to which they front, whilst the average height per storey is twelve feet, a minimum being controlled by the Ordinance of 1903. The Buildings Ordinance, 1935, permits a

minimum of eleven feet. The houses built prior to the 1903 Ordinance covering the greatest part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. After the passing of the Public Health and Buildings Ordinance, No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot is governed, and falls under two main heads, viz:—(*a*) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must not be less than one-fourth of the area of the site and (*b*) houses built on land bought subsequently where the minimum is raised to one-third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitation than to economics) and a depth of about thirty-five feet, whilst each storey consists of one large "room" with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles, each of which may accommodate a family. A latrine is built at ground floor level, one to each house irrespective of the number of occupants, and is common to all.

4. Structurally the earlier houses are of blue bricks (of native manufacture having a very low structural value) and timber, (usually China fir which is extremely susceptible to the ravages of white ants). Lately, however, reinforced concrete and better quality bricks have been used.

5. In the City of Victoria the major defect of housing is due to lack of town planning, but since a large proportion of the City was erected in the early days of the Colony, when town planning was little practised even in Europe, the conditions to-day are a heritage, the elimination of which involves immense sums of money, and probably considerable opposition if attempted on a large scale.

6. Generally, many of the old houses suffer from defects which are attributable to the Ordinance of that time. Passed in 1903 the measure was framed to meet existing conditions, both structurally and hygienically as they were then understood and practised. But, viewed in the light of modern practice and knowledge, many of its provisions are found to be lax.

7. The Buildings Ordinance, No. 18 of 1935, came into operation on the 1st January, 1936. This ordinance provides for improvement in the conditions of light and ventilation of those old properties which under the previous Ordinances were not called upon to conform to modern requirements. A higher standard generally is being called for and building owners are themselves slowly realising the advantages to be gained from modern constructional methods allied to proper hygienic principles.

8. On May 10th, 1935, a Commission was appointed to enquire into the housing difficulties in Victoria and Kowloon, with special reference to overcrowding and its effect on tuberculosis, and to suggest steps which should be taken to remedy existing conditions.

9. The Commission has had difficulty in arranging meetings owing to the absence of members from the Colony and changes in Government personnel and the main work so far has been confined to the compiling of statistics obtained from preliminary housing surveys and an exchange of views with Shanghai.

Chapter VI.

PRODUCTION.

Hong Kong is the port for South China, and the greater part of the large volume of goods that pass through it is in transit between South China and other parts of the world, including North and Middle China. The Colony itself produces comparatively little, though the shipbuilding, cement, rope, tin and sugar refining, rubber shoe and cotton knitting industries are not unimportant. Neither agriculture nor mining is carried on to any great extent, though the former is practised throughout the New Territories. Rice and vegetables are grown, and there is considerable poultry farming, but in insufficient quantities to supply the needs of the urban populations of Victoria and Kowloon. The cultivation is in the hands of the Chinese villagers. Sea fishing is an important industry, but here again local supplies have to be augmented by importation from outside.

2. Reports on the principal industries for the year 1936 are given below:—

Refined Sugar:—The promise of better trading conditions for Sugar at the beginning of 1936 was not fulfilled and after heavy purchases were made at the rising price levels of the first few weeks, a sharp drop in values caused considerable dislocation in market conditions and some loss to holders.

The downward movement of prices continued during the greater part of the year and the smuggling into North China through the connivance of the Autonomous Council in Hopei, and several rumours of substantial reduction in China's rates of Import Duty on Sugar as counter measures, contributed to the general dullness in trading. These rumours were not fulfilled and the unexpectedly rapid and peaceful success of the Central Government's resumption of control in Kwangtung and Kwangsi leading to improved confidence in Nanking's power, better harvests in the Yangtze Valley giving rise to renewed optimism, an active demand for Sugar supplies arose in August, and this was maintained during the greater part of the rest of the year.

The devaluation of the Guilder in September might have had considerable effect on Eastern markets, but the Sugar Selling Organisation in Java, which is probably the most potent single factor in Sugar circles in the Far East, was able to exercise firm and beneficial control of the price situation, and the changed conditions caused little disruption.

At the end of 1936 a sharp upward trend in prices set in, with considerable activity in all the world markets. The strength of the upward movement has brought out many speculators but in general the recovery is probably genuine and healthy, and it is perhaps not too much to hope that at last Sugar may share in the improvement noted in other commodity markets.

Cement:—Due to the general depression, and the Government's retrenchment policy, fewer building schemes of importance have been undertaken during the year, so that the consumption of Cement shows a reduction on last year's figures.

Japanese Importers continue to do most of the trade, but large supplies of Haiphong Cement are now coming into the Colony and are being retailed at prices below those of Japanese.

Government Statistics for the year 1936 give the Imports of Cement into Hong Kong for that year as follows:—

From Japan	1,034,784	piculs valued at	$ 742,526
,, Indo-China	342,505	,, ,, ,,	245,598
,, Other Countries...	10,236	,, ,, ,,	51,220
Total	1,387,425	,, ,, ,,	$1,039,342

Preserved Ginger:—Local prices fluctuated during the year from $12.50 to $19 per picul for cargo ginger and from $19 to $26 for stem ginger. Better trade conditions in the United Kingdom and other buying markets led to increased demand for preserved ginger during 1936, the values of quantities exported being as follows:—

	1936.	*1935.*
To United Kingdom	$1,107,427	$ 783,193
,, Australia	346,913	332,671
,, Holland	202,578	191,454
,, U. S. A.	142,717	138,131
,, Other Countries	301,331	430,329
Total	$2,100,966	$1,875,778

Knitted Goods:—Better trading conditions were experienced by the local knitting factories in 1936. Although it is no longer possible to compete in the China market owing to heavy import duties, increased quantities of singlets were sold to Malaya and the Netherlands East Indies. These are manufactured from fine count yarns imported from Lancashire. Increased quantities of singlets were also exported to British Empire markets under Imperial Preference, Colonies in West Africa taking considerably more than in the previous year. These singlets at present, are manufactured from North China and Japanese yarn but the possibility of using yarn manufactured in the British Empire is now under consideration. Increased quantities of hosiery were also shipped in 1936 to India, Malaya, British West Indies, Egypt and South America.

The total value of exports of singlets in 1936 was $3,186,277 and that of hosiery $729,543.

Flashlight Torches & Batteries:—Although exports of flashlight torches to the United Kingdom were less in 1936 than in previous years owing to the Customs ruling that to qualify for Preference nothing but Empire made brass must be used in local factories, quantities sold to other markets were considerably in excess of the previous year's totals. The principal markets and the quantities taken were as follows:—India ($595,089), Burma ($220,918), Netherlands East Indies ($428,282), Malaya ($323,302), Siam ($173,224), Australia ($169,282), West Africa ($153,091), South Africa ($103,613), British West Indies ($42,362), Other Countries ($721,361), Total ($2,930,424).

Exports of batteries were also well maintained, the principal purchasing countries and values of quantities taken being as follows:—Netherlands East Indies ($327,453), Malaya ($180,888), India ($169,272), Ceylon ($154,332), Siam ($46,394), Other Countries ($400,040), Total ($1,279,379).

Rubber Shoes:—The discussions with the United Kingdom Customs authorities regarding the conditions to be complied with in respect of rubber and canvas shoes imported under Imperial Preference into the United Kingdom having been satisfactorily concluded, shipments of these shoes to the United Kingdom increased during 1936, the total value being $2,357,451. The British West Indies also purchased increased quantities totalling $1,071,932, the total value of exports to all countries being $4,126,413.

Lard:—The total quantity of lard exported during 1936 amounted to 70,688 piculs valued at $2,322,458 of which 62,424 piculs valued at $2,071,762 was taken by the United Kingdom. The year closed with unfavourable prospects for business in 1937 as the United Kingdom Customs have ruled that in order to obtain remission of duty as Empire produce on importation into the United Kingdom, lard refined in the Hong Kong must be produced from pigs bred in the Empire. Most of the lard manufactured in Hong Kong is from the fat of pigs which are imported into Hong Kong from China and Formosa.

Shipbuilding:—During the year the Colony's shipyards had under construction three passenger ships, two cargo ships, one police patrol cruiser, one Admiralty tug, one hopper dredger, one cruising yacht, one dumb barge and seven launches, a total of seventeen vessels of 3,900 tons gross.

Chapter VII.

Commerce.

The collection and compilation of Trade statistics was resumed in 1930 and for the first time since comparative figures have been available the visible trade of the Colony in 1936 showed signs of improvement, particularly in the final quarter of the year when substantial increases were recorded both of imports and exports, as compared with the corresponding period of the preceding year.

2. The combined values of imports and exports of merchandise in 1936 increased by 26.3% as compared with 1935, and 8.4% as compared with 1934, in terms of local currency. (Details are given in Table I).

3. Imports of merchandise totalled $452.4 (£28.5) millions in 1936 as compared with $365.0 (£35.3) millions in 1935, and $415.9 (£31.7) millions in 1934; whilst exports totalled $350.9 (£22.1) millions in 1936, as compared with $271.0 (£26.1) millions in 1935, and $325.1 (£24.8) millions in 1934.

4. In terms of local currency imports of merchandise in 1936 increased by 23.9%, as compared with 1935, and 8.8% as compared with 1934; whilst exports increased by 29.5% in 1936 as compared with 1935, and 7.9% as compared with 1934.

5. In terms of sterling values imports of merchandise decreased by 19.3% in 1936 as compared with 1935, and 10.1% as compared with 1934; whilst exports decreased by 15.3% in 1936 as compared with 1935, and 10.9% as compared with 1934. (It should be noted that the average T.T. rate of exchange on London 1*s*. 3.3/16*d*. in 1936, 1*s*. 11.5/16*d*. in 1935, and 1*s*. 6.3/16*d*. in 1934).

6. It is estimated that the quantum of the import trade increased by 7.8% in 1936 as compared with 1935, and 12.6% as compared with 1934, but, of necessary, the volume of the import trade cannot be calculated accurately on account of the lack of a suitable unit of quantity and the fact that many commodities imported are declared by value only.

7. The following countries increased their shares of the import trade in 1936 as compared with 1935:—Japan, Netherlands East Indies, Siam, Germany, India and Belgium; whilst increased shares of the export trade were credited to British Malaya, Japan, Siam, U.S.A., Netherlands East Indies, Philippine Islands and India. (Details are given in Table II).

8. It will be seen from Table III that there were increased imports in 1936 of the following groups of commodities as compared with 1935:—Live animals, chemicals and drugs, Chinese medicines, dyeing and tanning materials, foodstuffs and provisions, fuels, hardware, liquors, machinery, manures, metals, minerals and ores, nuts and seeds, oils and fats, paints, paper and paperware, piece goods and textiles, tobacco, vehicles, wearing apparel and sundries, the only groups showing a decrease being building materials and railway materials. There were increases in all groups of exports with the exception of live animals and fuels.

9. Total movements of Treasure amounted to $216.5 millions in 1936 as compared with $254.7 millions in 1935. Imports totalled $72.7 millions in 1936 as compared with $38.8 millions in 1935, and exports $143.8 millions as compared with $216.0 millions. (Details are given in Table IV).

10. Average T.T. opening rates of exchange during the year 1936 were:—London 1/3.3/16; France 522.15/16; U.S.A. 31.7/16; Shanghai 105; India 83.5/8; Singapore 53.7/8; Japan 108.1/8; Java 48.3/4.

11. Wholesale prices in the Colony showed an increase of 32.3% in 1936 as compared with 1935 and an increase of 12.7% as compared with 1934. Increases were recorded in each of the four groups of commodities, viz., Foodstuffs, Textiles, Metals and Minerals, and Miscellaneous Articles.

Table I.

IMPORTS AND EXPORTS 1924-1936.

(in £'s & $'s millions).

Imports.

	1924.	*1931.*	*1932.*	*1933.*	*1934.*	*1935.*	*1936.*
1st Quarter ...	£ 19.3	9.0	11.9	8.5	7.1	9.0	6.3
	$165.4	186.9	170.7	132.8	95.8	97.3	98.2
2nd Quarter ...	£ 17.1	8.7	10.2	8.5	7.1	10.7	7.4
	$144.0	180.1	164.7	126.1	99.7	94.0	114.1
3rd Quarter ...	£ 19.2	9.0	9.3	8.5	8.1	8.1	6.6
	$161.7	182.8	142.4	122.1	106.6	79.5	106.7
4th Quarter ...	£ 16.5	11.8	9.6	8.4	9.4	7.5	8.2
	$136.6	188.4	146.2	119.9	113.8	94.2	133.4
Total	£ 72.1	38.5	41.0	33.9	31.7	35.3	28.5
	$607.7	737.7	624.0	500.9	415.9	365.0	452.4

Exports.

	1924.	*1931.*	*1932.*	*1933.*	*1934.*	*1935.*	*1936.*
1st Quarter ...	£ 18.3	6.8	8.8	6.8	5.8	6.9	4.9
	$156.8	140.1	127.0	105.3	77.5	74.8	76.0
2nd Quarter ...	£ 15.2	6.4	7.1	7.2	5.7	7.7	5.6
	$128.0	132.5	115.3	106.2	79.6	67.9	87.5
3rd Quarter ...	£ 14.6	6.5	7.2	6.6	6.1	5.8	5.1
	$122.9	130.6	110.0	95.5	80.5	56.6	81.5
4th Quarter ...	£ 15.5	9.2	7.9	6.8	7.2	5.7	6.5
	$128.3	138.7	119.6	96.1	87.5	71.7	105.9
Total	£ 63.6	28.9	31.0	27.4	24.8	26.1	22.1
	$536.0	541.9	471.9	403.1	325.1	271.0	350.9

Note:—Average rate of exchange 1924 = 2*s*. 4½*d*.
1931 = 1*s*. 0¾*d*.
1932 = 1*s*. 3¾*d*.
1933 = 1*s*. 4¼*d*.
1934 = 1*s*. 6$\frac{3}{16}$*d*.
1935 = 1*s*. 11$\frac{5}{16}$*d*.
1936 = 1*s*. 3$\frac{3}{16}$*d*.

Table II.

Distribution of Imports and Exports of Merchandise by Countries ($'000's omitted).

A.—Imports.

	1935.		*1936.*	
	$	%	$	%
China	123,314	33.8	152,041	33.6
Japan	43,132	11.8	58,039	12.8
N. E. Indies	22,576	6.2	38,334	8.5
United Kingdom	23,897	6.5	29,008	6.4
U. S. A.	26,462	7.3	32,181	7.1
French Indo-China	32,573	8.9	25,760	5.7
Siam	20,535	5.6	29,780	6.6
Germany	16,346	4.5	23,618	5.2
British Malaya	6,215	1.7	7,352	1.6
India	4,440	1.2	5,755	1.3
Australia	8,419	2.3	9,114	2.0
Belgium	4,788	1.3	6,599	1.5
All Other Countries	32,293	8.9	34,769	7.7

Summary.

	1935.		*1936.*	
	$	%	$	%
United Kingdom	23,897	6.5	29,008	6.4
British Dominions and Possessions	26,983	7.4	29,911	6.6
China	123,314	33.8	152,041	33.6
All Other Countries	190,796	52.3	241,390	53.4
Total British Empire	50,880	13.9	58,919	13.0
Total Foreign	314,110	86.1	393,431	87.0
Grand Total	364,990	100.0	452,350	100.0

Table II,—*Continued.*

B.—EXPORTS.

	1935.		*1936.*	
	$	%	$	%
China	132,804	49.0	149,739	42.7
British Malaya	17,006	6.3	25,767	7.3
French Indo-China	14,459	5.3	17,370	5.0
Japan	11,497	4.2	17,955	5.1
Macao	13,294	4.9	13,001	3.7
Siam	10,441	3.9	14,506	4.1
U. S. A.	21,248	7.8	28,436	8.1
Kwong Chow Wan	9,333	3.4	10,586	3.0
N. E. Indies	6,193	2.3	9,722	2.8
Philippines	5,012	1.8	11,500	3.3
India	3,416	1.3	4,819	1.4
All Other Countries	26,330	9.8	47,464	13.5

Summary.

	1935.		*1936.*	
	$	%	$	%
United Kingdom	7,553	2.8	13,282	3.8
British Dominions and Possessions	30,107	11.1	48,295	13.7
China	132,804	49.0	149,739	42.7
All Other Countries	100,569	37.1	139,549	39.8
Total British Empire	37,660	13.9	61,577	17.5
Total Foreign	233,373	86.1	289,288	82.5
Grand Total	271,033	100.0	350,865	100.0

Table III.

IMPORTS AND EXPORTS BY MAIN GROUPS OF COMMODITIES

($'000's omitted).

	Imports.		*Exports.*	
	1935.	*1936.*	*1935.*	*1936.*
Animals, Live	7,929	8,042	168	134
Building Materials	6,730	6,635	3,502	3,513
Chemicals & Drugs	4,521	5,408	2,894	3,441
Chinese Medicines	13,018	20,265	10,318	13,761
Dyeing Materials	4,261	4,736	3,553	3,636
Foodstuffs	108,025	123,411	82,187	91,912
Fuels	10,628	11,033	781	396
Hardware	2,651	3,937	2,041	3,072
Liquors	2,922	3,379	761	894
Machinery	6,740	9,060	7,392	9,947
Manures	3,435	8,886	4,882	10,221
Metals	32,784	41,032	28,711	36,973
Minerals & Ores	2,190	2,812	2,829	8,485
Nuts and Seeds	5,141	6,566	3,436	4,047
Oils and Fats	33,972	39,994	25,657	33,090
Paints	1,451	1,750	1,196	1,430
Paper and Paperware ...	8,871	13,417	5,644	7,894
Piece Goods	52,670	67,675	34,109	40,069
Railway Materials	563	84	1,061	1,155
Tobacco	5,863	5,891	3,236	4,321
Treasure	38,785	72,728	215,959	143,815
Vehicles	3,938	6,584	3,061	7,970
Wearing Apparel	3,611	4,123	6,223	12,591
Sundries	43,075	57,631	37,392	51,913
Total	403,774	525,079	486,993	494,680

Table IV.

IMPORTS AND EXPORTS OF TREASURE.

	Imports.		*Exports.*	
	1935.	*1936.*	*1935.*	*1936.*
	$	$	$	$
Bank Notes	12,520,780	22,545,864	12,619,645	24,756,807
Copper Cents	6,006	193,279	13,485	234
Gold Bars	3,548,539	3,656,465	28,330,556	33,217,868
Gold Coins	—	—	38,060	760,049
Gold Leaf	4,764	5,849	139,597	356,132
Silver Bars	1,053,014	45,288	100,856,835	25,876
H.K. Silver Dollars	8,285,219	277,420	34,558,816	49,176,000
Chinese Silver Dollars	6,727,206	45,241,301	17,088,114	2,975,093
Other Silver Dollars	1,358,911	22,446	19,038,593	15,345,501
Silver Sub. Coin	5,280,372	740,496	3,275,588	17,201,873
Total	38,784,811	72,728,408	215,959,289	143,815,433

Table V.

WHOLESALE PRICE CHANGES.

(1922 = 100)

Groups.	*1931.*	*1932.*	*1933.*	*1934.*	*1935.*	*1936.*
Foodstuffs	144.3	126.5	113.4	94.3	85.4	113.3
Textiles	135.8	125.2	97.0	85.9	74.2	99.4
Metals	140.9	128.1	107.8	97.4	79.8	107.2
Miscellaneous	125.4	109.7	95.7	88.5	72.3	92.5
Average	136.6	122.4	103.5	91.5	77.9	103.1

Chapter VIII.

Wages and the Cost of Living.

The depression in the smaller industries, which pay their employees on a piece-work basis or on a complicated system of a bonus on the yearly profits, appeared to have been improved owing to the beneficial effect of the falling exchange rate throughout the year. The improvement of conditions in the manufacturies of electric torches and dry batteries, confectionery, cork and felt hats, rubber shoes and rubber knee-boots reported in 1935 has been maintained.

Other industries which have increased included the paper dyeing industry, many concerns having transferred to Hong Kong from South China due to the local facilities for obtaining raw materials; and the silk cloth printing, hurricane lamp manufacturies and shoe making by machinery concerns.

Within the last few months there has been a marked increase in the shirt and pyjama making industry due to the large amount of artificial silk which is being imported into the Colony.

Signs of the renewal of activity in the knitting and weaving factories are apparent. The employment of female labour in these industries as well as in the torch, battery and rubber shoe factories has increased.

There is still a good deal of unemployment amongst the unskilled male workers, but the heavy industries, where skilled labour is demanded, have had a fairly good year.

Most of the factories are working full time. The working conditions are still improving and the majority of factories are now operating in fire-resisting buildings, having removed from their old tenements. There has been no trouble over wage disputes and dismissals.

The number of factories has increased. Sixty-four have closed down, but ninety-nine fresh factories were registered. The total number of registered workshops and factories in operation is now 541.

The cost of living as reflected in the commodities rice, fish, meat, vegetables, oil, tea, firewood, clothes and shoes appears to have remained much the same for the beginning of the year as in 1935, but an upward trend is noticeable towards the end of the year. On two labour-food index figures taken for 1928-1933, the approximate percentage for 1936 rises from 75.3 in both cases in January 1936 to 80.9 and 91.8 respectively for December 1936.

AVERAGE RATES OF WAGES FOR LABOUR.

Building Trade:—

Locomotive Drivers	$1.50	to	$2.00	per	day.
Carpenters	0.80	,,	1.15	,,	,,
Bricklayers	0.80	,,	1.15	,,	,,
Painters	0.90	,,	1.15	,,	,,
Plasterers (including Shanghai Plasterers)	0.90	,,	1.60	,,	,,
Scaffolders	0.90	,,	1.20	,,	,,
Labourers (male)	0.45	,,	0.50	,,	,,
,, (female)	0.30	,,	0.40	,,	,,

Working hours 9 per day. Time and a half paid for overtime. Free temporary sleeping quarters provided on the building site and communal messing at cheap rates.

Shipbuilding & Engineering:—

Electricians	$1.00	to	$1.40	per	day.
Coppersmiths	1.00	,,	1.60	,,	,,
Fitters	0.80	,,	1.55	,,	,,
Sawmillers	0.70	,,	1.25	,,	,,
Boilermakers	0.95	,,	1.20	,,	,,
Sailmakers	1.00	,,	1.40	,,	,,
Blacksmiths	0.75	,,	1.20	,,	,,
Turners	1.00	,,	1.40	,,	,,
Patternmakers	1,00	,,	1.40	,,	,,
Labourers	0.70	,,	1.00	,,	,,

Overtime—time and a half. Night work—double time.

Transport Workers:—

Tram Drivers	$36.00	to	$45.00	per	month.
,, Conductors	30.00	,,	39.00	,,	,,
Bus Drivers (Chinese Bus Co.)	30.00	,,	50.00	,,	,,
,, Conductors (Chinese Bus Co.)	18.00	,,	20.00	,,	,,
,, Drivers (European Bus Co.).	55.00			,,	,,
,, Conductors (European Bus Co.).	22.50	,,	35.00	,,	,,

Working hours 9 per day. Free Uniform. Bonus at end of year 3 day's pay. (Chinese Bus Co.).

9 hours a day. Free Uniform. One month's salary bonus. (European Bus Co.).

Railway Workers (Government).—

Station Masters	$1,100	to	$1,800	per	annum.
Telephone Operators	750	,,	1,400	,,	,,
Booking Clerks	600	,,	1,000	,,	,,
Guards	600	,,	1,000	,,	,,
Signalmen	—		1,000	,,	,,
Engine Drivers	540	,,	1,000	,,	,,
Ticket Collectors	420	,,	600	,,	,,
Firemen	330	,,	480	,,	,,
Pointsmen	192	,,	240	,,	,,

Female Workers in Factories:—

Cigarette making	$0.30	to	$0.75	per	day.
Knitting factories	0.20	,,	0.45	,,	,,
Perfumery	0.20	,,	0.40	,,	,,
Confectionery	0.15	,,	0.25	,,	,,
Electric hand torch factories	0.20	,,	0.30	,,	,,
Electric hand torch battery factories	0.15	,,	0.35	,,	,,

Working hours from 7 a.m. to 5 p.m. One hour off at midday. Overtime from 6 p.m. to 9 p.m. at day rates.

Domestic Servants:—

Employed by Chinese	$ 7.00	to	$20.00	per	month.
Employed by Europeans	15.00	,,	40.00	,,	,,
Gardeners	15.00	,,	30.00	,,	,,

With free lodging, and, with Chinese employers, generally free board.

Note:—The rates of pay of Government employees are much the same as those of a similar category in private employ.

Transport coolies	$0.60	to	$0.70	per	day.
Coal coolies	0.80			,,	,,
Ricksha coolies	0.60	,,	0.70	,,	,,

Chapter IX.

EDUCATION AND WELFARE INSTITUTIONS.

GOVERNMENT SCHOOLS.

These are either schools where the medium of instruction is English or mostly English or schools where the medium of instruction is Chinese. The former, seventeen in number, are known as "English" schools, the latter of which there are three as "vernacular" schools.

2. Of the four English schools, classed as "secondary" schools in the Table below, two are Anglo-Chinese schools for boys and one for girls. These three schools have primary departments. The fourth school, the Central British School which is a mixed school, has no primary department. Of the eleven English schools, classed as "primary" schools in the Table, three are mixed schools preparing for the Central British School. In this group are also four "District" schools, including one for Indian boys and four "Lower Grade" schools, three of which are in rural districts. In those English schools which are attended by Chinese the study of English and of Chinese is carried on side by side, the *pari passu* system requiring that promotion shall depend on proficiency in both languages.

3. Of the two Government Schools classed as "vocational" one is the Junior Technical School which was opened in February, 1933, the other is the Evening Institute which is attended by persons desirous of receiving instruction for the most part germane to their day time occupations.

4. Of the three Government vernacular schools one has a seven years' course and includes a Normal department. There is also a normal school for women teachers and a normal school on the mainland which aims at providing vernacular teachers for rural schools.

GRANT-IN-AID AND SUBSIDIZED SCHOOLS.

5. There are fifteen Grant-in-Aid English Schools, and four Grant-in-Aid Vernacular Schools. Of the former, seven are schools for boys and eight are for girls.

6. One English school for girls has a primary department only, and one an infant department only. The remaining schools classed in the table below as "secondary" schools have primary departments as well as the upper classes.

7. Munsang College, Kowloon City, received a grant of $6,000.

8. The vernacular Grant-in-Aid Schools are schools for girls and are classed in the Table as "secondary" schools.

9. The 294 subsidized schools are all vernacular schools.

UNAIDED SCHOOLS.

10. In 1936 there were 661 unaided vernacular schools with 40,323 children and 128 unaided English schools with 5,963 children.

Table showing number of schools and scholars for the year 1936.

CLASS OF INSTITUTIONS.	GOVERNMENT SCHOOLS.		GRANT-IN-AID AND SUBSIDIZED SCHOOLS.		UNAIDED SCHOOLS.	
	No. of Institutions.	On Roll.	No. of Institutions.	On Roll.	No. of Institutions.	On Roll.
ENGLISH :—						
Secondary, ...	4	2,238	14	6,785	6	893
Primary, ...	11	1,843	2	243	115	4,695
Vocational, ...	2	907	—	—	7	375
Total, ...	17	4,988	16	7,028	128	5,963
VERNACULAR :—						
Secondary, ...	1	247	4	964	—	—
Primary, ...	—	—	294	19,955	660	40,022
Vocational, ...	2	211	—	—	1	301
Total, ...	3	458	298	20,919	661	40,323

Total No. of Institutions 1,123

Total on Roll 79,679

N.B.—Kindergarten boys attending Grant-in-Aid Schools for girls are not shown separately.

THE UNIVERSITY.

11. The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

12. The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall. There are also three recognized hostels for men, St. John's Hall, Morrison Hall and Ricci Hall, and one—St. Stephen's Hall for women. No university hostel at present exists for women students.

13. The late Sir Hormusjee Mody bore the entire expense of the erection of the main building. Additions have been made through the liberality of benefactors of varied nationality and domicile. The latest additions to the buildings are a School of Chinese Studies, the cost of which was borne by Mr. Tang Chi Ngong a local Chinese merchant and banker, and a Chinese Library named after the late Mr. Fung Ping Shan who provided a sum of $100,000 for the building and $50,000 as an endowment fund for its maintenance; also a School of Surgery and a new Engineering Laboratory named after H.E. the Governor, Sir William Peel. During 1936 a first class gymnasium was added to the University buildings. The entire cost of this building and its equipment was the generous gift of Mr. Eu Tong Sen, one of the leading Chinese in the Colony.

14. The income of the University for 1936 amounted to $891,714 of which $369,260 was derived from endowments and $350,000 from Government. Messrs. John Swire & Sons, Ltd., gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockfeller Institute has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000. The annual expenditure in 1936 amounted to about $849,663.

15. The University includes the three faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognized as equivalent thereto.

16. The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D. and M.S. are awarded on examinations but are subject to the proviso that every candidate for the degrees shall produce evidence of special post-graduate experience in the subject which he presents. The degrees above mentioned are recognized by the General Medical Council for registration in Great Britain.

17. The Faculty of Engineering provides a four years course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.) Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

18. The Faculty of Arts includes departments of pure arts and science, social science, commerce, a department of Chinese studies and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A The degree for post-graduate work is that of M.A.

19. With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

20. The degree of LL.D. is granted *honoris causa.*

CHARITABLE INSTITUTIONS.

21. The following are the best known Charitable Institutions.

French Convent Orphanage.
Italian Convent Orphanage.
Maryknoll Convent, Kowloon.
St. Louis Industrial School.
Po Leung Kuk—Chinese.
Victoria Home and Orphanage.
Society of Precious Blood Hospital.
Industrial Home for the Blind, Pokfulam.
Home for Aged Poor, Kowloon.
La Calvaire Home for Aged Poor, Happy Valley.
Eyre Refuge.
Salvation Army Home.
Industrial School, Aberdeen.

RECREATION AND ART.

22. Most of the schools contrive to hold annual sports either on their own grounds or on grounds generously lent by local cricket and football clubs. Lawn tennis, football, swimming, volley ball and basket ball continue to increase in popularity. Cricket is played at a few schools. Physical training is given by qualified instructors. Art is taught in the Government British schools by trained art mistresses.

Chapter X.

COMMUNICATION AND TRANSPORT.

The external communications of Hong Kong are excellent both by sea and by telegraph, cable and radio. As regards the former, the Peninsular and Oriental Steam Navigation Co., the

Nippon Yusen Kaisha, the Blue Funnel Line, the Messageries Maritimes, and several other British and foreign companies maintain regular passenger and freight services between Hong Kong and Europe. The trans-Pacific communications are well served by the Canadian Pacific Steamship Ltd., the Dollar Line, the Nippon Yusen Kaisha, and other steamship lines. To Australia three steamship companies, the Eastern and Australian, Nippon Yusen Kaisha, and Australian and Oriental maintain regular passenger and freight services. In addition there are direct sailings to Africa, South America, and to New York. There is frequent and regular communication between Hong Kong and other Far Eastern ports in India, Java, Straits Settlements, Formosa, Indo-China, Japan and the China coast. Local steamship communication is by river steamer from Hong Kong to Canton and the West River ports with several sailings daily. In addition there is a vast traffic between Hong Kong and the adjacent provinces of China by junk and sampan.

2. The total shipping entering and clearing Ports in the Colony during the year 1936 amounted to 83,571 vessels of 41,731,016 tons which, compared with the figures for 1935 shows a decrease of 11,084 vessels and 1,742,963 tons. Of the above, 40,626 vessels of 40,063,663 tons were engaged in Foreign Trade as compared with 45,553 vessels of 41,487,477 tons in 1935. There was a decrease in British Ocean-going shipping of 476 vessels and 567,247 tons. Foreign Ocean-Going vessels show a decrease of 438 vessels and 169,658 tons. British River Steamers show a decrease of 1,157 vessels and 772,460 tons. Foreign River Steamers show an increase of 508 vessels and 268,521 tons. In Steamships not exceeding 60 tons employed in Foreign Trade there was a decrease of 614 vessels with a decrease in tonnage of 16,393 tons. Junks in Foreign Trade show a decrease of 2,750 vessels with a decrease in tonnage of 166,577 tons. In Local Trade (*i.e.*, between places within the waters of the Colony), there was a decrease in Steam launches of 1,859 vessels with a decrease in tonnage of 92.759 tons. Junks in Local Trade show a decrease of 4,298 vessels, with a decrease in tonnage of 225,390 tons.

3. The Eastern Extension Australasia and China Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively, provides good connections with Europe *via* India, with Australasia, and with the other British Colonies and Possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; the system of the Great Northern Telegraph Company gives a good service to Europe *via* Asiatic Russia.

4. The Government operates commercial radio services with direct communication to the Chinese stations Shanghai, Foochow, Amoy, Swatow, Canton, Yunnanfu, Hoihow, to Formosa, French Indo-China, Siam, Philippines, Dutch East Indies, British North Borneo, *via* Manila to Europe, America, etc. and *via* Malabar to Australasia, Europe etc.

5. The revenue collected by the Radio Office during the year from radio telegrams amounted to $676,546, an increase of $75,710 on the amount collected in 1935. Advices of vessels signalled at the Lighthouses yielded $1,517. The total Revenue from the telegraph service amounted to $678,063. Ship Station Licences yielded $1,638, Amateur Transmission Station Licences $300, Broadcast Receiving Licences $66,756, Dealers' Licences $2,675 and Examination Fee for Operators' Certificates of Proficiency $975, Limited Licences $450.

6. The number of paid radio-telegrams forwarded during the year was 167,883 consisting of 1,630,029 words against 202,196 consisting of 1,829,519 words in 1935 and 194,973 were received, consisting of 2,112,835 words against 204,155 consisting of 2,225,364 words.

7. In addition to the paid traffic figures given above the wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 588 messages or 382,839 words from Rugby, the collection and distribution of meteorological traffic, 5,522 messages 421,409 words having been forwarded, and 11,995 messages 561,255 words having been received, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc.

8. A telephone service between Hong Kong and Canton, a distance of 110 miles, is in operation.

9. *Mails.*—The number of mail receptacles of Hong Kong origin despatched during the year was 41,681 as compared with 45,318 in 1935—a decrease of 3,637, the number received was 48,672 as compared with 47,759—an increase of 913.

10. Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 146,126 as against 209,157 in 1935 a decrease of 63,031.

11. *Registered Articles and Parcels.*—The number of registered articles handled amounted to 660,866 as compared with 683,676 in 1935—a decrease of 22,810.

12. The figures for insured letters were 12,540 and 14,580 respectively—a decrease of 2,040.

13. Parcels, ordinary and insured, which were dealt with reached a total of 164,482 as against 149,929 in 1935—an increase of 14,553.

14. The Railway may be said to have had a satisfactory year in 1936. The estimates were framed in expectation of increased traffic revenue and lower operating expenditure. This optimism was justified by the results secured, which show that both traffic receipts and net earnings would have exceeded the amounted anticipated but for the unexpected closure of the Shum Chun Casino on September 1st.

15. Receipts and net operating revenue were $1,245,469.16 and $454,733.00 respectively, as against $1,411,674.73 and $500,654.48 the previous year.

16. Operating expenditure was $790,736.16, compared with $911,020.25 in 1935. This year's figure is the lowest obtained since 1929, and was made possible, despite the low sterling exchange figure of the dollar, by a particularly favourable price for coal and by economy in working. The operating ratio improved from 64.53% to 63.49%.

17. The account in respect of the three 4-6-0 locomotives, purchased by the Hong Kong Government on behalf of the Kwang Tung Provincial Government, was fully liquidated on April 30th, and these engines were handed over to the Chinese Section for operation on May 1st. Revenue was affected considerably by the change, foreign haulage receipts slumping from $289,641.32 to $132,482.78.

18. The track on both Sections was well maintained, and enabled the overall timing of the express trains to be reduced to 2 hours 55 minutes including an additional stop in Chinese territory.

19. The total steam train mileage run amounted to 334,674, compared with 500,887 the previous year; this includes trains hauled by British Section locomotives over the Chinese Section. Motor coach mileage was 5,621. Passenger journeys were 2,826,867, as against 2,799,352 in 1935, the advance being due to an increase of 180,487 in through carryings.

20. The most noteworthy improvement of the year was the conversion of one of the two motor coaches into a streamlined luxury parlour observation railcar named the "Taipo Belle". This car was operated as a separate unit during week-ends, and attached to the rear of ordinary local trains on other days. It has proved to be extremely popular with the public and, in consequence, the second motor coach is undergoing similar reconstruction.

21. There are 377 miles of roads in the Colony, 161 miles on the Island of Hong Kong and 216 miles in Kowloon and the New Territories. Of the total mileage 293 miles are constructed in water bound macadam dressed with asphalt, 12 miles in sheet asphalt on a cement concrete foundation, 13 miles of tar macadam, 17 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 39 miles of earth roads.

22. The public travelling over the Colony's roads increases yearly with a corresponding growth in the number of motor buses, of which there are 84 operating on the island of Hong Kong, and 101 on the mainland. These are gradually replacing the rickshas, the number of which decreases year by year.

23. The Hong Kong Tramway Company has a fleet of 91 double deck tram cars running along the sea front of Victoria from Kennedy Town to Shaukiwan.

24. Communication between the island and the mainland is maintained by a number of ferry services; the most important of which are the Star Ferry between Kowloon Point and a pier near the General Post Office, and the combined vehicular and passenger service of the Hong Kong and Yaumati Ferry Company between Jordan Road, Kowloon and Jubilee Street, Victoria.

Chapter XI.

BANKING, CURRENCY, WEIGHTS & MEASURES.

The Colony is well served by banking institutions. There are fourteen principal banks doing business in the Colony which are members of the Clearing House, and in addition several Chinese Banks and many native Hongs do some banking business. There are no banks which devote themselves specially to agricultural and co-operative banking. The Hong Kong and Shanghai Banking Corporation also conducts the business of the Hong Kong Savings Bank on usual savings bank principles. The credit and repute of the Colony's financial institutions are high and it is satisfactory to know that ample encouragement and support are available to finance any possible demand.

2. The Currency of the Colony which had been hitherto based on silver and governed by the Order in Council of 2nd February, 1895, underwent some very important changes towards the end of 1935. Prior to that time it was, like that of China, on a silver basis. The unit of currency is the Hong Kong dollar, divided into 100 cents. The standard coin was the silver British dollar and the exchange value of the Hong Kong dollar, subject to rather wide variations, from time to time, the reasons for which are discussed in the Report of the Hong Kong Currency

Commissioners, 1931, fluctuated with the price of silver. On the 15th October, 1934, the Chinese Government departed from the strict silver standard by imposing a variable export duty on silver, but Hong Kong remained on the silver standard until November, 1935, when the Chinese Government definitely abandoned the silver standard, nationalising all silver and prohibiting export. Following that, the Hong Kong Government, on the 9th November, 1935, prohibited the export of silver, and on the 5th December, 1935, a Currency Ordinance was passed calling in silver coin from circulation, and setting up the machinery which now controls the exchange value of the Hong Kong dollar. Briefly, this consists of an Exchange Fund, with power to buy and sell foreign exchange, which has taken over the silver formerly held against their issues by the note-issuing banks, in return for certificates of indebtedness against which the Fund may hold bullion, foreign exchange or approved securities.

The legal tender currency of the Colony is now as follows:—

(*a*) Bank notes, the excess of which over the fiduciary issue of each bank is now backed by certificates, not by silver as formerly:—

	At 31.12.36.
(*i*) Chartered Bank of India, Australia & China ...	$ 22,756,888
(*ii*) Hong Kong & Shanghai Banking Corporation ...	$124,863,771
(*iii*) Mercantile Bank of India	$ 4,091,508

(*b*) Government $1 notes, of which $2,300,000 have been issued.

(*c*) 10 cent and 5 cent cupro-nickel coins.

(*d*) 1 cent copper coins.

(*e*) The silver dollars and .800 fine silver sub-coin (10 cent and 5 cent pieces, and a few 50 and 20 cent pieces) which have either remained in circulation in the Colony or filter back into it from the mainland of China, are still legal tender in the Colony (sub-coin only up to an amount of $2.00).

The exchange value of the Hong Kong dollar, which had gradually risen during 1934 in confirmity with the rise in the price of silver, reached a maximum of between 2*s.*/6*d.* and 2*s.*/7*d.* in April/May 1935, and thereafter continued to follow silver until the prohibition of export in November, 1935. From then until the Currency Ordinance was passed in December, the rate moved between 1*s.*/4*d.* and 1*s.*/6*d.* Since the Exchange Fund began operating in December, 1935, the rate has remained fairly steady; the highest during 1936 being $1/3\frac{5}{8}$ on 4th April and the lowest $1/2\frac{3}{4}$ on 9th September. During the last 3 months of the year exchange was very steady at $1/2\frac{13}{16}$ to $1/2\frac{7}{8}$.

3. The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = 0.0133 ounces avoirdupois.
1 tsin (mace) = .133 ounces avoirdupois.
1 leung (tael) = 1.33 ounces avoirdupois.
1 kan (catty) = 1.33 pounds avoirdupois.
1 tam (picul) = 133.33 pounds avoirdupois.

and

1 chek (foot) = 14⅝ English inches divided into 10 tsün (inches) and each tsün into ten fan or tenths.

Chapter XII.

PUBLIC WORKS.

During the year under review the operations of the Public Works Department were carried out, under a Head Office Staff, by eleven sub-departments, namely the Accounts and Stores, Architectural, Buildings Ordinance, Crown Lands and Surveys, Drainage, Electrical, Port Development, Roads and Transport, Valuations and Resumptions, Waterworks Construction and Waterworks Maintenance offices.

2. The European staff comprised 150 officers and the non-European approximately 641.

3. The following is a summary of works carried out during the year:—

BUILDINGS.

4. Works completed were:—Gaol at Stanley and its Staff Quarters; Trade School; Magistracy at Kowloon; Market at Tsun Wan; Latrine at Lockhart Road; Kiosk for the Hong Kong Travel Association; Improvements at the Peak School and additional cells at Taipo Police Station.

5. Works under construction were:—Queen Mary Hospital and its Staff Quarters; Wanchai Market; Police Station at Ta Ku Ling and Barricades to Police Stations in the New Territories.

6. In addition to general maintenance numerous minor alterations, improvements and additions were executed to Government Buildings during the year.

COMMUNICATIONS.

7. Works completed were:—King's Road from North Point House to Causeway Bay; formation of road adjoining Inland Lots Nos. 3685 and 3686 Blue Pool Road, Wong Nei Chong; widening of the entrance to Tytam Road; access road to new cemeteries area, north and east of Hammer Hill; road between 3¾ and 4¾ miles on the Fanling—Shataukok Road and between Nam Sha Po and Gill's cutting on the Taipo Market—Fanling Road was strengthened and improved; streets in Taipo Market and Un Long were surfaced, kerbed and channelled in front of new houses; access road to new Central British School and Branch Road from access road to Shek Lai Pui Filters.

8. Works under construction were:—widening of road from Kennedy Road to the Military Hospital, Bowen Road; improvements to Sha Tin Pass Road; widening of road from Au Tau to Kam Tin; new 20 feet road from Kam Tin to Shek Kong; Smuggler's Pass Road; Sai Kung Road round new Flight Gap, Kai Tak and roads on Kowloon Inland Lot No. 2657.

DRAINAGE.

9. New main sewers and storm water drains to a length of 2,655 feet, open rubble-walled nullahs to a length of 485 feet, a portion of which was covered for a length of 102 feet were constructed in Hong Kong. A further length of single nullah wall with concrete invert was built for a length of 93 feet. Open channels of varying sections were laid for a length of 547 feet. In Kowloon, New Kowloon and New Territories, new main sewers and storm water drains to a length of 570 feet were constructed. A length of 2,000 feet of 3″ thick cement concrete was laid as inverting for an open cut.

10. Anti-Malarial work in Hong Kong was continued throughout the year at Mount Parker. The work was chiefly confined to "making good" and improvements to prevent storm damage arising in the main valley. The work extended over a length of approximately 1,800 feet. The contract which had been in force since May 1932 was closed in December. At Kowloon Tong, the work was terminated early in the year and the contract closed. No work was undertaken during the latter part of the year.

WATER WORKS.

11. On the maintenance side the following works were carried out:—

12. In Hong Kong the following lengths of new mains were laid to improve distribution:—3,166 feet of 4″, 2,133 feet of 3″ and 4,551 feet of 2″. 1,103 feet of subsidiary mains were laid in back lanes.

13. The Middle Gap and Mt. Cameron Sections of the Eastern Pumping Scheme were completed and put into use in April. A distribution system from Middle Gap Service Reservoir was provided by laying 2,658 feet of 3" and 2,654 feet of 2" piping.

14. The new scheme commenced in 1935 to supply filtered water to the Stanley District was completed, except for a few minor fittings in the Pressure Filters erected at Tytam Tuk Pumping Station. The two concrete service reservoirs, one at Stanley Mound and the other near the New Gaol, were completed, tested and put into use in July with unfiltered water.

15. The following lengths of piping were laid:—397 feet of 6", 8,056 feet of 5", 592 feet of 4" and 1,767 feet of 3".

16. A scheme to supply filtered water to the Queen Mary Hospital was completed during the year. A pipe line 8,551 feet long was laid from the existing 750-foot level service reservoir near Po Shan Road to a new service reservoir above the Hospital site. This reservoir has a capacity of 102,000 gallons and a top water level of 675 feet A.O.D. 762 feet of 4" and 1,050 feet of 3" piping were laid for the distribution system and fire service from the service reservoir to the Hospital and Quarters.

17. In Kowloon and New Kowloon the following lengths of mains were laid 2,550 feet of 12", 335 feet of 10", 544 feet of 6", 982 feet of 4", 832 feet of 3", 340 feet of 2" and 70 feet of 1½". In addition 3,858 feet of subsidiary mains were laid in back lanes.

18. In the New Territories mains were laid as follows:—515 feet of 4" and 390 feet of subsidiary main at Taipo, 140 feet of 3" main at Un Long and 413 feet of 2" main at Tsun Wan.

19. The pathway over the spillway of the Kowloon Reservoir was demolished and replaced by a reinforced concrete decking.

20. On the construction side the following works were carried out:—

21. Two roller sluice gates, to byepass the discharge of Tytam Tuk Catchwaters when Tytam Tuk Reservoir is full, were erected and a byepass channel to divert the above discharge was constructed.

22. A commencement was made with the laying of the second 24" diameter trunk main for the Shing Mun Valley Scheme. The pipes, which were made locally from British steel, were all delivered during the year and comprised 12,837 lineal feet of heavy section and 3,449 lineal feet of light section. The laying of 12,050 lineal feet of the heavy section was practically completed during the year.

23. The third section of the filters for the Shing Mun Valley Scheme was commenced. This comprises a rapid gravity plant of a daily capacity of five million gallons supplied by the Paterson Engineering Company, Limited. Delivery of the plant was made in Hong Kong during the year. A contract for the construction was let in April and by the end of the year half the work was completed.

RECLAMATIONS.

24. At North Point, a length of sea wall extending 890 feet eastwards from M. L. 431 was constructed to high water level. The sea wall at Kun Tong was extended 260 feet making a total of 1,150 feet. The dumping of refuse was carried out by the Urban Council within the area protected by the above sea wall; at the end of the year about one acre had been reclaimed by the dumped refuse.

ELECTRICAL WORKS.

25. Wireless:—A new short wave wireless transmitter, a line amplifier for broadcasting, an emergency marine transmitter and two new dipole aerials were installed at Cape D'Aguilar. A loud speaker unit and various new aerials were erected at Victoria Peak. Kai Tak Airport W/T Service was equipped for aeronautical services on medium and short waves. A new W/T installation was fitted to No. 1 Police Launch and a new charging apparatus was supplied to Gap Rock Lighthouse.

26. Two ribbon type microphones and an amplifier were installed in the Broadcasting Studio and control room. Three Marconi recorder bridges were installed and various improvements carried out at the Radio Telegraph Office.

27. Under the hospital services a new amplifier was supplied to Kowloon Hospital, loud speakers and diffusion points were installed in the Tung Wah Small Pox Hospital, the Government Civil and Victoria Hospitals.

28. At the Government W/T School one full course and five refresher courses were completed. Current certificates were called in and exchanged for the new type issued under the 1936 Ordinance.

29. Light, power and telephone:—Lights, fans, lifts, telephones and bells in Government Buildings were maintained in good order. Extensive submarine cable repairs were carried out in Hong Kong Harbour, Kapsingmun and Island—Waglan. The cable between Tai Kok Tsui and Stonecutters was damaged beyond repair and taken out of commission.

30. Work on new electrical installations in the following places was in hand or completed:—Queen Mary Hospital, Gaol at Stanley, Wanchai Market, Trade School, Kowloon Magistracy,

Central British School, Tsun Wan Market, Travel Association Kiosk and at the Civil Hangar, Kai Tak. Six Government Buildings were rewired. Twenty-five telephones were installed, improvements and additions were carried out in six buildings in Hong Kong, five in Kowloon and two in New Territories.

31. The laying of two submarine cables and buried land cable work was completed.

BUILDINGS ORDINANCE OFFICE.

32. The volume of the new building works coming under the jurisdiction of the Buildings Ordinance, 1935 shewed a small increase in comparison with the figures for 1935.

33. Alterations and additions to existing buildings comprised a very large proportion of the work carried out. There was a decrease in the number of plans for new European houses but an increase in those of Chinese tenement type. Many buildings of a social character such as Churches and Schools were under construction during the year.

34. Plans were approved for the following more important works:—One block of eighteen European flats at junction of Plantation and Plunkett Roads; European house, Stanley Beach Road; Convent, Stanley; European house, Stanley; Pentecostal Church for Chinese, Castle Road; twelve Chinese houses, Hill Road; fourteen Chinese houses, Gloucester Road; eighteen Chinese houses, Stewart Road; twenty-eight Chinese houses, Tonnochy Road; New Cold Storage Building for Dairy Farm, Great George Street; ten Chinese houses, Hennessy Road; office block, 9 Queen's Road Central; office block, 10 Queen's Road Central; New Christian Church for Chinese, Tai Hang Road; school for Chinese, to accommodate one hundred and twenty boarders, ten teachers and two hundred and thirty day scholars, Hau Pui Loong; foundations for 100 ton crane, Kowloon Dock; Chinese Roman Catholic Chapel and Quarters, Kak Hang Tsun Road; Christian Church for Chinese, Ma Tau Chung Road; block of European flats sixteen storeys high, Nathan Road; Anglican Church, Waterloo Road; block of four Chinese houses, Austin Road; Private Hospital, Kiu Kiang Street; block of ten Chinese houses, Lai Chi Kok Road; block of four European houses, Nathan Road; block of five Chinese houses, Reclamation Street; extention of Weaving Factory, Un Chau Street.

35. Buildings of importance completed were:—European house, Tai Hang Road; large school for Chinese boys, to accommodate eighty boarders and three hundred and eighty day scholars, Third Street; large residence, Bonham Road; thirteen Chinese houses, Gloucester Road; twelve Chinese houses, Hennessy Road; ten Chinese houses, Heard Street; six Chinese houses, Lockhart Road; new residential quarters at French Convent; new banks and offices, (Marina House) 15 to 19

Queen's Road Central; Lower Peak Tram Station and flats, Garden Road; new Methodist Church, Hennessy Road; Central British School, off Argyle Street; extension to St. Mary's School, Austin Road; engineering workshop for China Light and Power Company, Tai Wan Road; block of four Chinese houses, Austin Road; block of six Chinese houses, Lai Chi Kok Road; block of ten Chinese houses, Lai Chi Kok Road; large Chinese residential Hotel, Nathan Road; six houses, European type flats, Nathan Road; four houses, European type flats, Peiho Street; fourteen Chinese houses, Shanghai Street; Public Dispensary, Yee Kuk Street.

36. Occupation permits for 167 Chinese tenement houses, of these eighty-eight were erected in Kowloon and seventy-nine on the Island. Occupation permits were issued for seventy-seven European type houses, of these fifty were erected in Kowloon and twenty-seven in Hong Kong.

37. The number of water flushed sanitary installations approved amounted to 2,078.

38. Twelve fires were reported, none resulting in loss of life, this immunity being traceable very largely to the protection afforded by buildings of reinforced concrete construction and to the improved form of staircase now called for.

39. Twelve collapses were reported, eight of which occurred as a result of the severe typhoon experienced in the month of August. There were three deaths and ten people were injured as the result of the typhoon collapses and eight persons were killed and seven injured when defective timbers caused the collapse of Nos. 2 to 8 Woo Sung Street. The total casualties for the year numbered twelve killed and eighteen injured.

40. Reclamation by private enterprise of the remaining area of approximately 18,000 square feet of Kowloon Marine Lot No. 97 was completed.

41. The Chinese Cemeteries in Hong Kong, Kowloon and New Kowloon were maintained in good order and provision was made for additional burial areas where required. The new area known as New Kowloon Cemetery No. 7, Customs Pass, is being developed.

Chapter XIII.

JUSTICE AND POLICE.

I.—THE COURTS OF HONG KONG.

The Supreme Court of Hong Kong consists of a Chief Justice and one or more other judges. At present there is one Puisne Judge and one other Judge for the purpose of Appeals.

2. The jurisdiction of the Court is regulated by a number of Ordinances but generally it may be said that the Court exercises a Summary Jurisdiction in all actions where the claims do not exceed $1,000 and an Original Jurisdiction in all actions where the claims exceed that amount.

3. In addition to the above the Court exercises Admiralty, Probate, Divorce, Bankruptcy, Lunacy Criminal and Appellate Jurisdiction

4. The following is a brief summary of litigation and matters dealt with during the year 1936:—

1,753 actions were instituted in the Summary Jurisdiction and the amounts for which judgments were given totalled $207,828.40.

236 actions were instituted in the Original Jurisdiction and the amounts for which judgments were given totalled $993,292.78.

One action was instituted in the Admiralty Jurisdiction.

387 grants were made, or grants of other courts sealed, in the Probate Jurisdiction.

One Petition for Divorce was filed during 1936 and Decree absolute pronounced thereon.

263 persons were indicted in the Criminal Jurisdiction of whom 196 were convicted.

15 appeals were lodged in the Appellate Jurisdiction 12 of which were disposed of during the year.

Three Criminal appeals were lodged and disposed of during the year.

5. The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

6. The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, two for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates.

7. The following figures show the amount of work done by the lower courts in 1936:—

Civil:—

District Officer North,	
Land Court	115 cases.
Small Debts Court	100 ,,
District Officer, South,	
Land Court	197 cases.
Small Debts Court	51 ,,

Criminal:—

Hong Kong Magistracy, two courts	37,044 cases.
Kowloon Magistracy, two courts	25,249 ,,
District Officer, North, one court	1,854 ,,
District Officer, South, one court	374 ,,

II.—The Police.

8. The Police Force of the Colony is under the control of the Inspector General of Police who is assisted by one Deputy Inspector General and twelve Superintendents. The force consists of four Contingents, European, Indian, and two Chinese, viz., Cantonese and Weihaiwei. The strength of the different Contingents is as follows:—

Europeans	266
Indians	817
Chinese (Cantonese)	740
Chinese (Weihaiwei)	287

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of thirty-eight Russians and twenty-seven Indian Guards including three Sergeants together with four European Sergeants and one hundred and twenty-two Wei hai-wei Chinese Constables, who are included in Police Strength. The Anti- Piracy Guards are employed and paid for by the Shipping Companies for service in the China Seas.

9. Further, the department supervises 506 Indian and Chinese Watchmen who are engaged by the Police Department and paid by private individuals for protection of private property. In addition there are 433 Indian and 8 Japanese Private Watchmen Registered at the Guards Offices.

10. The waters of the Colony are policed by a fleet of ten steam launches and five motor boats which employ a staff of two hundred and fifty-five Chinese under European officers.

11. There were 9,038 serious cases of crime in 1936, as against 6,373 in 1935, an increase of 2,665 or 41%. There was an increase of 17 cases in serious assault, 9 in assault with intent to rob, 36 in burglary, 6 in coinage offences, 97 in deportation, 11 in embezzlement, 72 in house and godown breaking, 2,355 in larceny, 25 in larceny on ship and wharf, 1 in manslaughter, 2 in murder, 23 in false pretences, 113 in receiving and 13 in other serious crimes. There was a decrease of 14 cases under the arms ordinance, 4 in intimidation, 3 in kidnapping, 57 in larceny from dwelling, 27 in robbery and 10 in Women and Girls Ordinance offences.

There were 37,549 minor cases during 1936 as against 33,000 in 1935, an increase of 4,549 or 13%.

III.—PRISONS.

12. There are three prisons in the Colony. Victoria Gaol in Hong Kong is the main prison for males. This prison is built on the separate system, but segregation is difficult owing to lack of space and accommodation. It contains cell accommodation for 644 only and prisoners are often kept in association through unavoidable overcrowding. There is a branch male prison at Lai Chi Kok near Kowloon, with accommodation for 680 prisoners. In this establishment all the prisoners sleep in association wards and only selected prisoners are sent there as the prison was not originally built as such. It was converted from a Quarantine Station in 1920, for temporary use pending the building of a new prison. The third prison is the prison for females situated near the male prison at Lai Chi Kok. A new general prison for males at Stanley, Hong Kong, is nearing completion and will be opened in 1937.

13. The total number of persons committed to prison in the year 1936 was 16,106 as compared with 16,140 in 1935. The daily average number of prisoners in the prisons in 1936 was 1,917. The highest previous average was 1,796 in 1935. Over 87% of prisoners admitted are persons born outside the Colony.

14. The health of the prisoners generally was well maintained in the prisons.

15. The discipline in all three prisons was good.

16. Prisoners are employed at printing, bookbinding, shoemaking, tinsmithing, matmaking, tailoring, carpentering, weaving, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of the Government printing and bookbinding is done in Victoria Gaol.

IV.—REMAND HOMES.

17. During the year 277 boys underwent sentences of detention for various crimes at the Remand Home for Juveniles (Boys), not under Prison administration and 87 girls underwent detention at the Remand Home for girls. The boys are given instruction in elementary reading and writing, as well as in rattan work, which teaches them a trade. The girls are given employment in house-work, laundry, and making and mending clothes. There are recreation facilities at both Homes.

There are also four Probationer Officers, two males and two females.

Lady visitors attend the Female Prison twice weekly to instruct long sentence prisoners in needle work.

18. Visiting Justices inspect and report on the prisons every fortnight.

Chapter XIV.

LEGISLATION.

Fifty-nine Ordinances were passed during the year 1936. These and also the Regulations, Rules, By-laws and other subsidiary legislative enactments are published in a separate volume by the Government Printers. The fifty-nine Ordinances comprised two appropriations, four replacement, one incorporation, two consolidation, thirty-seven amendment and thirteen which were new to the Colony.

2. The Appropriation Ordinance (No. 42) applied a sum not exceeding $25,582,269 to the public service for the year 1937, and Ordinance No. 28 appropriated a supplementary sum of $122,771.15 to defray the charges of the year 1935.

3. Of the four replacement Ordinances the Quarantine and Prevention of Disease Ordinance (No. 7) followed more closely than the corresponding 1935 Ordinance which it replaced the lines indicated in the Articles of the International Sanitary Convention, 1926 and of the International Sanitary Convention for Aerial Navigation, 1933. The Deportation (British Subjects) Ordinance (No. 16) regulated the deportation of undesirable British Subjects forming a counterpart to the Deportation of Aliens Ordinance (No. 39), 1935. Previous to 1935 deportation, whether of British Subjects or of aliens, was regulated by a general deportation Ordinance. The Pleasure Grounds and Bathing Places Regulation Ordinance (No. 29) replaced the Public Places Regulation Ordinance, 1870 and the Chinese Recreation Ground Ordinance, 1923 providing for a better system of control. The Ordinances and Regulations of Hong Kong

(1937 edition) Ordinance (No. 51) provided for a revised edition of the Ordinances and apart from certain modifications was similar to the previous revision Ordinance.

4. Ordinance No. 41 provided for the incorporation of the Superioress in Hong Kong of the Congregation of the Sisters of the Precious Blood. The Ordinance followed the usual lines in such cases.

5. The Asylums Ordinance (No. 22) consolidated and to some extent amended the existing Asylums Ordinances. The Telecommunication Ordinance (No. 18) consolidated and amended the existing law on the subject.

6. The thirty-seven Amending Ordinances covered a wide range of subjects, viz.—Police Force (No. 2) Pensions (No. 3, 27, 34 and 53), Gambling (No. 5), Coinage Offences (No. 6 and 43), Magistrates (No. 8), Bills of Exchange and Falsification of Documents Amendment (No. 9), Liquors (No. 2), Summary Offences (No. 13 and 35), Stonecutters Island (No. 14), Companies (No. 15), Buildings (No. 19 and 58), Midwives (No. 21 and 49), Female Domestic Service (No. 23), Marriage (No. 24), Protection of Women and Girls (No. 25), Estate Duty (No. 26), Factories and Workshops (No. 30), Jury (No. 31), Crown Rights (Re-entry) (No. 32), Stamp (No. 36), Public Health (Sanitation) (No. 37), Public Health (Animals and Birds) (No. 38), Public Health (Food) (No. 39), Currency (No. 44 and 57), Stamp Duties Management (No. 45), Merchant Shipping (No. 47), Defences (Firing Areas) (No. 50), Cremation (No. 52), Quarantine and Prevention of Disease (No. 54).

7. The Ordinances new to the Colony were the Defences (Firing Areas) Ordinance (No. 1), Crown Rents (Apportionment) (No. 4), Married Women (No. 10), Tortfeasors (No. 11), Hong Kong Government Service (Levy on Salaries) (No. 17), Counterfeit Currency (Convention) (No. 20), Cane for Birch Substitution (No. 33), Public Reclamations Validation and Clauses (No. 40), Director of Medical and Sanitary Services (Change of Name) (No. 46), Nursing and Maternity Homes Registration (No. 48), Lighting Control (No. 55), Wild Animals Protection (No. 56), and Coronation Souvenirs (No. 59).

The subject matter of Ordinances Nos. 17, 33, 46, 48, 49 and 56 is self-evident from the short titles. Of the remainder No. 1 regulated practice firing so as to ensure the safety of shipping and of all persons who might be affected thereby; No. 4 provided for the payment of Crown rents by section owners of lots; Nos. 10 and 11 followed the lines of Part 1 and Part 6 respectively of the Law Reform (Married Women and Tortfeasors) Act, 1935; No. 20 gave effect to the terms of an Agreement reached at an International Convention for the suppression of Counterfeiting Currency, 1929; No. 40 validated certain undertakings on unleased Crown foreshores and sea beds, and enacted certain provisions deemed to be incorporated in future Ordinances regulating similar undertakings; No. 55 provided for the control of lighting by the Governor in Council on occasions of emergency or by way of experiment; No. 59 prohibited the sale before the 1st June, 1937, of Coronation Souvenirs without a clear indication of their origin.

8. The subsidiary legislation covered a wide range of subjects including:—Supreme Court, Marriage, Evidence, Protection of Women and Girls, Vagrancy, Merchant Shipping, Rating, Rope Company's Tramway, Midwives, New Territories Regulation, University, Holiday, Vehicle and Traffic Regulation, Asiatic Emigration, Boarding-House, Importation and Exportation, Ferries, Societies, Plants, Registration of Imports and Exports, Wild Birds, Rating (Refunds), Post Office, Public Revenue Protection, Dogs, Watchmen, Motor Spirit, Liquors, Tobacco, Opium, Pensions, Factories and Workshops, Police Force, Prisons, Companies, Volunteer, Mercantile Marine Assistance Fund, Miscellaneous Licences, Naval Volunteer, Adulterated Food and Drugs, Public-Health (Food, Sanitation and Animals and Birds), Buildings, Hawkers, Official Signatures Fees, Deportation of Aliens, Quarantine and Prevention of Disease, Hong Kong Government Service (Levy on Salaries), Telecommunication, Pleasure Grounds and Bathing Places and Air Navigation.

Chapter XV.

PUBLIC FINANCE & TAXATION.

The following tables show the Revenue and Expenditure for the five years 1932 to 1936 inclusive.

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit.*
1932	$33,549,716	$32,050,283	$1,499,433	—
1933	32,099,278	31,122,715	976,563	—
1934	29,574,286	31,149,156	—	$1,574,870
1935	28,430,550	28,291,636	138,914	—
1936	30,042,984	29,513,520	529,464	—

2. The revenue for the year 1936 amounted to $30,042,984, being $3,371,139 more than estimated, and $1,612,434 more than the revenue obtained in 1935. Owing to lower exchange the revenue included an item of $161,505.48 being the profit in dollars on the realization of sterling securities.

3. Duties on imported liquor and tobacco were considerably more than estimated on account of an increase in the tariff which became effective on 1st April, 1936. Duty on locally manufactured liquor, however, showed a decrease of some $60,000; the net increase being $1,593,672. Light Dues which are on a sterling basis were greater than estimated by $118,928 owing to lower exchange. Assessed Taxes were also greater than the estimate by $169,353 as vacant tenements were fewer and a further sign of the improvement in trade conditions is shown in an increase in Stamp Duties of $236,943 and in Water Excess Supply and Meter Rents of $272,519. Two large estates were the main causes of an increase in Estate Duty of $352,890. Receipts from the Post Office also showed an increase of $268,886 due to higher rates of postage and to expansion of the air mail services.

The trade depression which shows some signs of passing was still reflected in 1936 in a reduction of $56,823 in Liquor Licence fees and of $74,970 in Pawnbrokers Licences.

Receipts from the Kowloon-Canton Railway were also $77,530 lower than estimated due to competition by river and by road and to a decline in traffic to Sham Chun.

4. The expenditure for the year 1936 amounted to $29,513,520 being $84,628 less than estimated and $1,221,884 more than the expenditure in 1935.

5. Ordinary expenditure amounted to $26,460,621, Public Works Extraordinary to $3,052,900. Personal Emoluments amounted to $11,779,501 being $321,680 in excess of the estimated figure of $11,457,821 due to lower exchange; the excess would, however, have been greater by at least $1,144,000 but for the operation of the Levy on Salaries Ordinance No. 17 of 1936.

Other Charges amounted to $3,742,653 being $361,288 less than estimated.

6. *Debt.*—The public debt of the Colony consists of two issues. The 4% Conversion Loan raised in 1933 amounting to $4,838,000, the Sinking Fund of which, established in 1934, amounted on 31st December, 1936, to £42,836.14.11. Secondly the 3½% Dollar Loan raised in July, 1934. Bonds to the amount of $14,000,000 were issued at 99% producing $13,860,000. This loan is redeemable by drawings at par in each of the twenty-five years commencing in 1935 at the annual rate of one twenty-fifth of such issue. During each of the years 1935 and 1936 $560,000 was so redeemed thus reducing the amount outstanding to $12,880,000. Ordinance No. 11 of 1934 governs this issue and authorises the Governor to borrow up to a total of $25,000,000. The total public debt of the Colony on 31st December, 1936, amounted to $17,718,000 equal to about 7 months revenue as things are at present.

7. The Assets and Liabilities of the Colony on the 31st December, 1936, are shewn in the following statement:—

LIABILITIES.	$ ¢	ASSETS.	$ ¢
DEPOSITS:—		ADVANCES:—	
Contractors and Officers Deposits...	470,847.00	Miscellaneous	74,445.46
Insurances Companies	1,633,973.92	Pending Re-imbursements from future loan	9,206,268.63
Miscellaneous Deposits	1,640,994.15	Building Loans	846,060.70
		Imprest Account	59,420.17
House Service Account	27,510.50	Subsidiary Coin	145,625.00
Government House and City Development Fund	839,704.12	Note Issue Account.	2,300,000.00
Suspense Account ...	9,282.33	Trade Loan Outstanding	298,800.00
Exchange Adjustment	23,301.03	Nickel Coinage Account	1,379,999.50
Trade Loan Reserve.	837,313.59	Unallocated Stores, (P.W.D.)	529,595.63
Praya East Reclamation	111,547.17	Unallocated Stores, (Railway)	123,461.94
Coal Account	5,273.69	Cash Balance:—	
Note Security Fund.	2,169,608.31	Treasurer	2,596,687.54
Nickel Coinage Security Fund	1,203,682.12	*Joint Colonial Fund	1,516,638.66
		Fixed Deposits:—	
Crown Agents Overdraft	857.68	General ...$1,050,000.00 Insurance Companies 1,633 973.92 Miscellaneous 130,050.75	
Total Liabilities.	8,973,895.61		2,814,024.67
Excess of Assets over Liabilities	12,917,132.29		
Total.........$	21,891,027.90	Total.........$	21,891,027.90

* Joint Colonial Fund £94,000 0s. 0d.

8. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of $5,976,160 being collected in 1936. This represents 19.89% of the total revenue or 20.07% of the revenue exclusive of land sales. The rates vary from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues and Buoy Dues brought in the sum of $638,284.

9. Duties on intoxicating liquors realized $2,080,765, tobacco $4,066,519, postage stamps and message fees $2,058,886. A considerable sum is also derived from the opium monopoly, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realized $269,230. The receipts of the Kowloon-Canton Railway which was completed in 1910 amounted to $1,245,469.

10. *Customs Tariff.*—There is an import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

11. The duties on imported liquor range from $0.80 per gallon on beer to $1.50 on Chinese liquor and to $13 on sparkling European wines. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

12. The duties on tobacco range from $0.90 per lb. on the lowest taxed unmanufactured tobacco to $2.60 per lb. on cigars. A reduction in duty is allowed to tobacco of Empire origin and/or of Empire manufacture.

13. A duty of 30 cents per gallon is payable on all light oils imported into the Colony.

14. *Excise and Stamp Duties.*—A reduction in duty is allowed on beer and Chinese type spirits manufactured in the Colony.

15. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly *ad valorem.* The following are examples of the duties charged:—Affidavits, Statutory Declaration, etc., $3; Bills of Exchange (inward) and Cheques, 10 cents; Bills of Lading, 15 cents when freight under $5, 40 cents when freight $5 or over; Bond to secure the payment or repayment of money, 20 cents for every $100 or part

thereof; Conveyance on sale, $1 for every $100 or part thereof; Mortgages, principal security, 20 cents for every $100 or part thereof; Life Insurance Policy, 25 cents for every $1,000 insured; Receipts, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

16. No Hut Tax or Poll Tax is imposed in the Colony.

R. A. C. North,
Colonial Secretary.

Appendix.

LIST OF PUBLICATIONS OF GENERAL INTEREST RELATING TO HONG KONG.

TITLE.	PRICE.	AGENTS FOR SALE.
	$	
Sessional Papers (Annual)	2.00	Colonial Secretariat and Government Printers.
Blue Book (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents for the Colonies, London.
Ordinances-Ball's Revised Edition (In 6 Volumes) 1844-1923	90.00	Do.
Regulations of Hong Kong 1844-1925	30.00	Colonial Secretariat.
Ordinances and Regulations (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents.
Administration Reports (Annual)	5.00	Colonial Secretariat.
Estimates (Annual)	3.00	Government Printers.
Government Gazettes (Weekly).	.50	Government Printers and Crown Agents.
Meteorological Bulletin (Monthly)	10.00 per annum	Government Printers.
Hong Kong Trade and Shipping Returns (Monthly)	2.00	Government Printers and Crown Agents.
Do. (Annual)	2.00	Do.
Hansards (Annual)	5.00	South China Morning Post, Hong Kong.
Historical & Statistical Abstract of the Colony of Hong Kong 1841-1930	4.00	Colonial Secretariat.
The Hong Kong Naturalist (Quarterly)	2.00	Hong Kong University.

Appendix,—*Continued.*

TITLE.	PRICE.	AGENTS FOR SALE.
	$	
Hong Kong: A Guide Book	1.00	Kelly & Walsh, Ltd. and Brewers' Bookshop, Hong Kong.
Hong Kong: Around and About, by S. H. Peplow & M. Barker.	5.00	Do.
Echoes of Hong Kong & Beyond by L. Forster	1.50	Do.
Hong Kong—the Riviera of the Orient	1.00	Do.
Travellers Map of Hong Kong...	.10	Do.
Picturesque Hong Kong	1.25	Brewers' Bookshop.
The Tourist Guide 1936	1.25	Do.
The Dollar Directory 1937	1.00	Do.
A Hong Kong Sketch Book	2.50	Kelly & Walsh, Ltd.
Hilly Hong Kong	1.00	Do.
Glimpses of Hong Kong	1.00	Do.

Sections on Hong Kong will be found in the annual "China Year Book" published by the North China Daily News and Herald Ltd., Shanghai (London Agents Simpkin Marshall Ltd.) price $20.00, the annual "Directory and Chronicle of China, Japan etc." published by the Hong Kong Daily Press at Hong Kong, Price $12.00 and obtainable at their London office at 53, Fleet St., for £2, and "Comacrib China & Hong Kong Manual", price $35.00 (Brewers' Bookshop).

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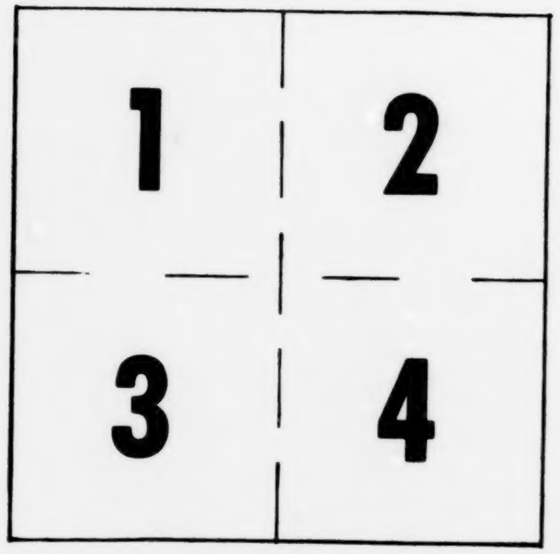
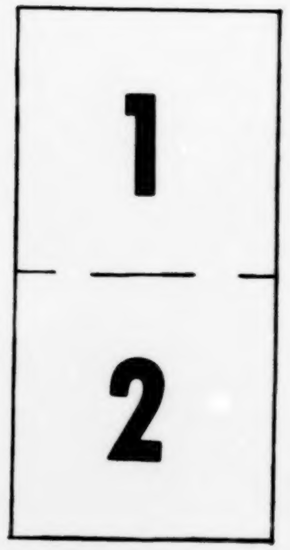
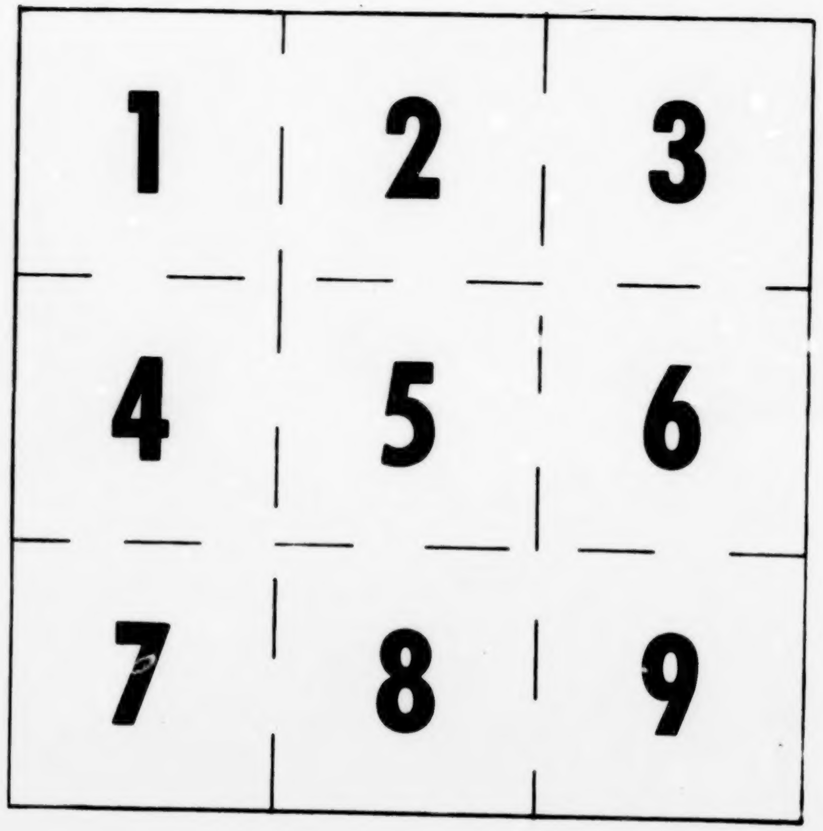
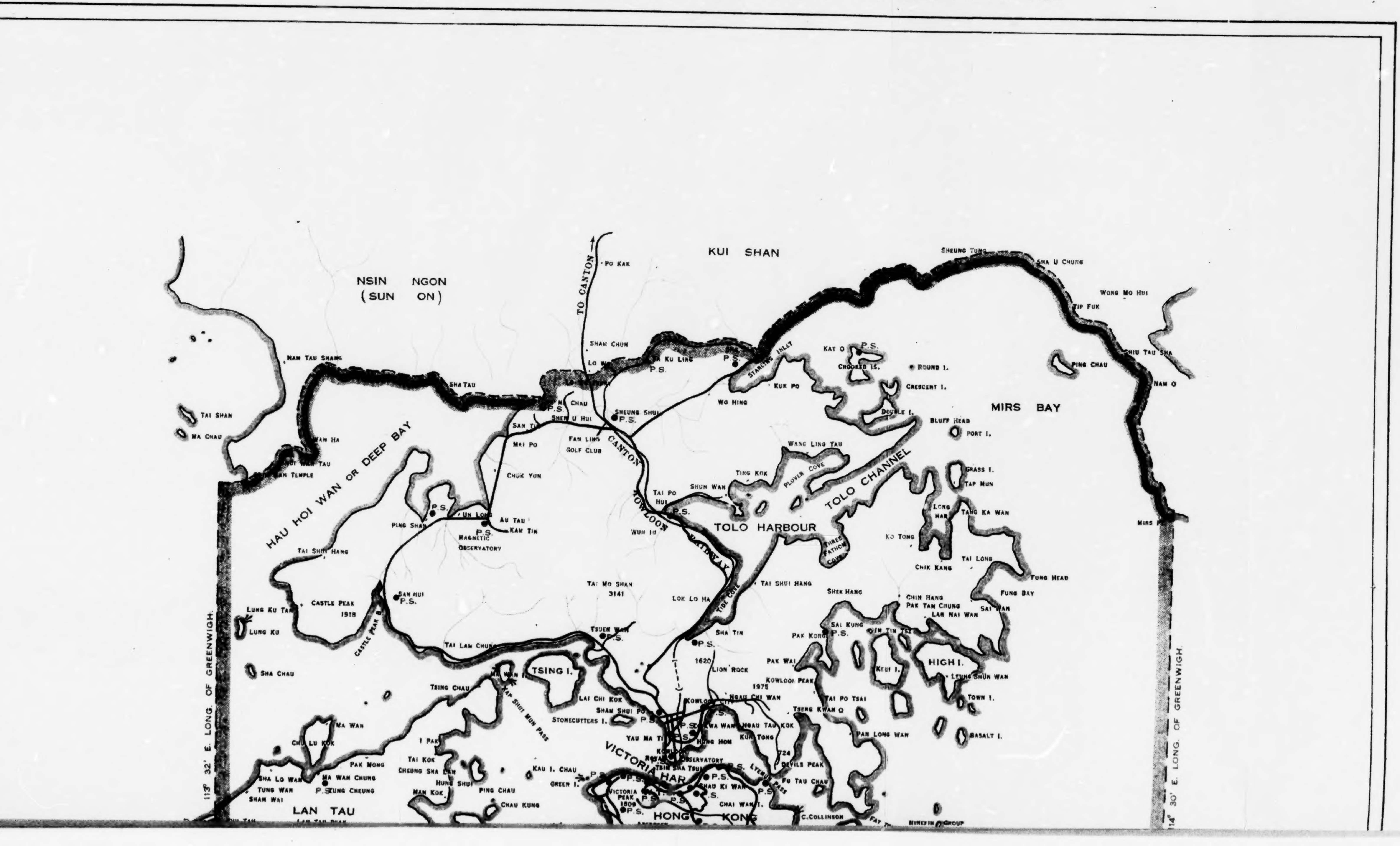






MAP OF HONG KONG AND NEW TERRITORIES.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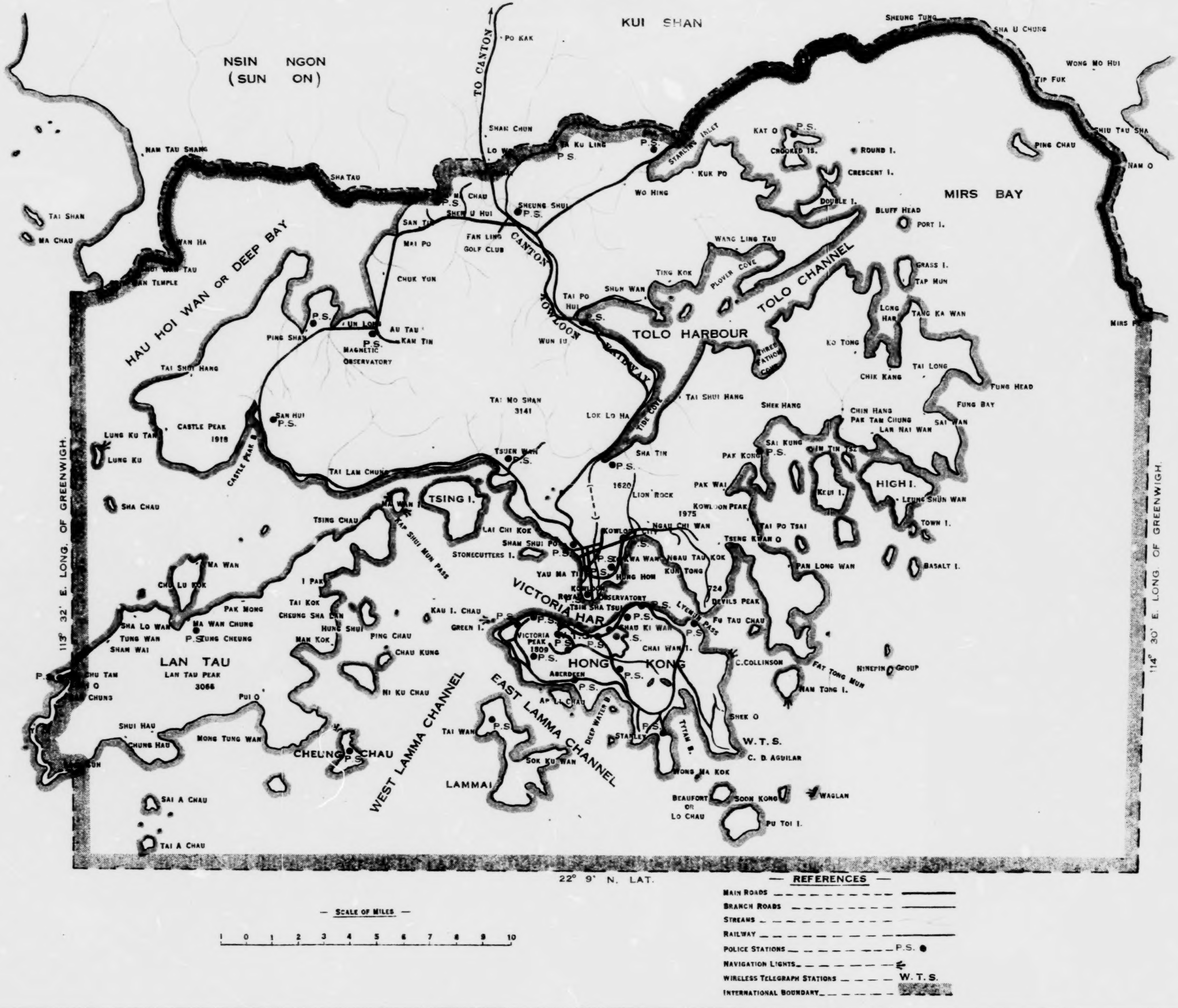
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ANNUAL REPORT ON THE SOCIAL AND ECONOMIC PROGRESS OF THE PEOPLE OF THE COLONY OF HONG KONG FOR THE YEAR 1937.

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Chapter I.

GEOGRAPHY, INCLUDING CLIMATE AND HISTORY.

The Colony of Hong Kong is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N. and longitude 114° 5′ and 114° 18′ E. The island is about eleven miles long and two to five miles in breadth, its circumference being about 27 miles and its area 32 square miles. It consists of an irregular ridge of lofty hills rising to a height of nearly 2,000 feet above sea level, stretching nearly east and west, with few valleys of any extent and little ground available for cultivation.

2. The island of Hong Kong was ceded to Great Britain in January, 1841, the cession being confirmed by the Treaty of Nanking in August, 1842. The charter bears the date of 5th April, 1843. The Kowloon peninsula and Stonecutter's Island were ceded to Great Britain under the Convention signed at Peking in October, 1860, and under the Convention signed at Peking in July, 1898, the area shown as the New Territories including Mirs Bay and Deep Bay was leased to Great Britain by the Government of China for 99 years. The total area of the Colony including the New Territories is about 390 square miles.

3. The importance of Hong Kong has grown with the increase of China's trade with foreign countries. It is now in respect of tonnage entered and cleared one of the largest ports in the world. It is the most convenient outlet for the produce of South China as well as for the incessant flow of Chinese emigration to the Netherlands East Indies, Malaya and elsewhere. It is also the natural distributing centre for imports into China from abroad.

4. The Colony is not primarily a manufacturing centre, the most important of its industries being those connected directly or indirectly with shipping, such as dock and warehouse, banking and insurance undertakings. Sugar refining and cement manufacture are also major industries, and in recent years considerable quantities of knitted goods, electric torches and batteries, and rubber shoes have been produced and exported.

5. The climate of Hong Kong is sub-tropical, the winter being normally cool and dry and the summer hot and humid; the seasons are marked by the prevalence of the S.W. monsoon in summer and the N.E. monsoon in winter. The temperature seldom rises above 95° F. or falls below 40° F. The average rainfall is 85.16 inches, May to September being the wettest months. In spring and summer the humidity of the atmosphere

is often very high, at times exceeding 95% with an average over the whole year of 79%. The typhoon season may be said to last from June to October though typhoons occasionally occur before and after this period.

6. The rainfall for 1937 was 82.50 inches. The mean temperature of the air was 73.3° against an average of 71.9°. The maximum gust velocity of the wind was greater than 125 m.p.h. from N.E. on September 2nd.

7. *Government.*—Sir Andrew Caldecott left the Colony on the 16th of April having been appointed Governor and Commander-in-Chief of Ceylon. The Hon. Mr. N. L. Smith administered the Government until the arrival on the 28th of October, of His Excellency Sir Geoffry Northcote, the new Governor.

8. *Official Visits.*—General Yu Han-Mow, Commander-in-Chief of the 4th Route Army and Pacification Commissioner for Kwangtung, visited the Colony and paid an official call on the Governor on the 8th of March. General Wu Teh-Chen, newly appointed Civil Governor of Kwangtung, paid an official visit to the Colony on the 12th of April.

9. *Public Works.*—During the year three major public enterprises were finished and declared open. The Governor, Sir Andrew Caldecott, on the 18th of January officially inspected the new prison on Stanley Peninsula, which has accommodation for 2,000 prisoners. On January the 30th the Governor unveiled a tablet at the Jubilee Reservoir, Shing Mun. The reservoir took four years to complete and has a capacity of 3,000 million gallons. The dam, 285 feet high, is the highest in the British Empire. The Queen Mary Hospital, a granite-faced structure standing 500 feet above sea-level in open country on the south side of the island, was opened on April the 13th. 546 beds and the most modern equipment are provided in this hospital, which replaces the old Government Civil Hospital and the Victoria Hospital.

10. *Communications.*—Three new passenger air-services were inaugurated during the year. On the 6th of May the Pan-American Airways commenced a passenger service from Manila to Hong Kong. On the 1st of December this service was extended to San Francisco. On the 29th of June Eurasia Airways extended their Peiping-Canton passenger service to Hong Kong.

A telephone service between Hong Kong and Hankow was made available to the public on the 20th of March providing a further link in the telephonic communication between the Colony and the interior of China.

11. *Commissions.*—A Commission was appointed by the Officer Administering the Government on the 7th of October to inquire into the sinking of Chinese fishing junks off the Chilang Lighthouse on the 22nd of September.

12. *The Coronation.*—The Coronation of His Majesty King George VI was celebrated on the 12th of May. In the early morning the Officer Administering the Government (The Hon. Mr. N. L. Smith) held a review of the combined services at Happy Valley. The parade consisted of over 2,500 members of His Majesty's forces in the Colony, and was witnessed by approximately 100,000 people.

At noon a meeting of the Legislative Council was held at which members signed a Loyal Address which was sent to Their Majesties.

2,000 guests attended a Reception and Ball at Government House in the evening. General illuminations, a silver Dragon and a Chinese lantern procession were other features of the celebrations.

13. *Sino-Japanese Hostilities.*—On the 7th of July hostilities broke out between China and Japan. During the ensuing months much of the trade bound for the interior of China was diverted through Hong Kong. Wharves and godowns remained crowded until the end of the year. The first refugees from Shanghai arrived in Hong Kong on the 17th of August. At the shortest notice approximately 4,800 non-Chinese refugees were accommodated in four Refugee Centres, in hotels and in private houses. It was not considered safe for women and children to return to Shanghai until late in December.

14. *The Typhoon.*—On the 2nd of September the most disastrous typhoon in local history passed over the Colony. At the height of the storm the barometer fell to 28.298 inches and it is estimated that a wind velocity of 167 m.p.h. was reached. Vast damage was done to property in all parts of the Colony, but by far the greatest sufferers were the Chinese fishing community. Information was received of 1,361 native boats being sunk and it can only be presumed that many thousands of seafaring people were drowned. No fewer than 27 steamers of various sizes were sunk or driven ashore.

15. *Decorations.*—Among the Honours conferred by His Majesty during the course of the year, were:—

K.C.M.G.—H.E. Sir Andrew Caldecott, Kt., C.M.G., C.B.E.

O.B.E.—Mr. T. M. Hazlerigg, M.C. (Civil Division).

The Coronation Decorations were awarded as follows:

C.M.G.—H.E. The Officer Administering the Government, Mr. N. L. Smith.

Kt.—Mr. V. M. Grayburn.

O.B.E. (Civil Division)—Mr. D. L. King.

M.B.E. (Military Division)—Capt. H. Westlake, D.C.M.

M.B.E. (Civil Division)—Mrs. J. M. King.

Chapter II.

GOVERNMENT.

The Government is administered under Letters Patent of 14th February, 1917, and Royal Instructions of the same and subsequent dates, by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Financial Secretary, all of whom are members ex-officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are also members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are the Inspector General of Police, the Harbour Master and the Director of Medical Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council.

2. The Urban Council composed of five official and eight unofficial members has power to make by-laws under the Public Health (Food) Ordinance, the Public Health (Sanitation) Ordinance, the Public Health (Animals and Birds) Ordinance, the Hawkers Ordinance and Factories and Workshops Ordinance in matters appertaining to public health, subject to an overriding power in the Legislative Council.

3. There are a number of advisory boards and committees such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board, etc., composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

4. The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. A further revised edition was commenced during 1937. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

5. The daily administration is carried out by the twenty-eight Government departments, all officers of which are members of the Civil Service. The most important of the

purely administrative departments are the Secretariat, Treasury, Secretariat for Chinese Affairs, Post Office, Harbour, the Imports and Exports, Police and Prisons Departments. There are seven legal departments, including the Supreme Court and the Magistracies. Two departments, Medical and Sanitary, deal with public health, one, Education, with education; and one, the largest of all the Government departments, Public Works, is concerned with roads, buildings, waterworks, piers and analogous matters.

6. An important change in the system of Government during 1937, was the creation of the post of Financial Secretary in place of the former Colonial Treasurer, with a view to reorganizing the financial administration of the Colony generally.

Chapter III.

POPULATION AND BIRTHS AND DEATHS.

The estimated civilian population at mid-year 1937, based upon the arithmetical increase in population between the Census periods of 1921 and 1931, amounted to 1,006,982. Of this figure 984,400 or ninety-eight per centum were Chinese. Excluding Chinese, who do not register, 6,444 aliens were registered in the Colony at the end of the year and it is therefore estimated that there are approximately 16,138 Non-Chinese British subjects. Forty-eight per centum of the estimated Non-Chinese population resides in Kowloon and New Kowloon, the latter being primarily a residential area. In view of the Sino-Japanese conflict which has driven a large number of refugees to Hong Kong the estimate of 1,006,982 is considered to be within the region of thirty per centum below the actual population. The population distributed into the main districts of the Colony is shown in the following table:—

	Estimated at mid-year 1937.
Island of Hong Kong.	
Non-Chinese	9,847
Chinese	437,982
Kowloon Peninsula.	
Non-Chinese	10,887
Chinese	339,366
New Territories.	
Non-Chinese	476
Chinese	107,052
Maritime.	
Non-Chinese	1,372
Chinese	100,000
Total Non-Chinese	22,582
Total Chinese	984,400
Totals	1,006,982

Registration of births and deaths is compulsory and is governed by the Births and Deaths Registration Ordinance, No. 21 of 1934.

Births.—There was a large increase in the number of births registered in the year under review. Whereas in 1936 the figure was 27,383 (530 Non-Chinese), in 1937 the number of births registered was 32,303 (692 Non-Chinese) an increase of 4,920. This is attributed to the increase in the population due to large numbers of refugees seeking shelter in Hong Kong and to the desire of Chinese residents to register births with a view to claiming British nationality. The number of late registrations after twelve months totalled 744 in 1937 and 272 in 1936. The crude, uncorrected birth-rate for 1937 was 32.1 per thousand of the mid-year population.

The following table provides means for comparing with 1936 the number of males and females born:—

	1936.	*1937.*
Males	15,064	17,559
Females	12,319	14,744
Totals	27,383	32,303

Deaths.—Once again the Sino-Japanese conflict caused some increase to registration figures, but in addition a severe typhoon which struck the Colony on the 2nd of September and a serious cholera epidemic earlier in the year resulted in known deaths of 490 and 1,082 persons respectively.

In 1937 the number of deaths amounted to 34,635 as against 25,380 in 1936, to which must be added 11 and 17 respectively for deaths among the Forces of the Crown. The crude, uncorrected death-rate was estimated at 34.4 per thousand living, the corresponding figure for 1936 being 25.8.

Male deaths exceeded female as shown in the following table:—

	1936.	*1937.*
Males	14,681	20,233
Females	10,683	14,392
Unknown	16	10
Totals	25,380	34,635

Some 11,620 Chinese and 30 Non-Chinese deaths of infants under one year of age were registered in 1937. The infant mortality rates showed some improvement over the previous year as may be seen from the following table:—

	1936.	*1937.*
Non-Chinese	37	46
Chinese	372	376

Still-births in 1937 numbered 913 and 976 in 1936.

Chapter IV.

PUBLIC HEALTH.

It would appear from first sight that public health in the Colony received a serious set-back in 1937 when the number of deaths registered exceeded the 1936 figure by 9,255. When, however, (*a*) the sudden increase in the population due to refugees leaving Shanghai and other parts of China, (*b*) the cholera epidemic, and (*c*) the typhoon are taken into consideration the reason for the set-back will be better appreciated.

Malaria.—During the year 696 civilians died from malaria, an increase of 193 over the year 1936. The ratio of deaths from malaria to deaths from all causes remained practically the same for both years.

INFECTIOUS DISEASES.

Plague.—No case of plague has been reported during the last eight years. A proportion of the daily number of rats collected was sent to the Public Mortuary for examination. Deratisation of ships was carried out by the Port Health Branch. Ninety-one deratisation and eighty-eight exemption certificates were issued.

Cerebro-spinal fever.—Some 157 cases were notified in 1937 as compared with 123 cases in 1936. The number of deaths was eighty-eight and sixty-five respectively.

Cholera.—The Colony suffered a severe epidemic from this disease during the year. On the 22nd July, the first case was reported and by the 31st of December 1,082 persons had died of the disease. In all 1,690 cases were reported giving a mortality rate of sixty-four per centum.

In view of the small amount of accommodation available at the Infectious Diseases Hospital, it was necessary to reopen part of the old Government Civil Hospital in order to cope with the 1,239 cases treated. Over a quarter of a million anti-cholera inoculations were administered free by hospitals, public dispensaries and the St. John Ambulance Association and Brigade.

Smallpox.—Out of a total of 129 cases reported during the year, thirty-seven were notified in April. There were ninety-four deaths as compared with sixteen in 1936.

Preventive measures against smallpox included the vaccination of some 443,021 persons with lymph prepared in the Government Bacteriological Institute.

Some sixty cases were segregated in the Infectious Diseases Hospital at Kennedy Town.

Pulmonary tuberculosis.—Ranking high among the causes of death, 3,061 deaths from pulmonary tuberculosis were recorded during the year.

Schemes for improving the housing conditions of the poorer classes are under consideration and, should these materialize, it is anticipated that they may have a definite influence upon the incidence of this disease.

Dysentery.—On 5th February this disease was declared notifiable by Order of the Governor-in-Council. From that date 576 cases were notified of which 316 proved fatal.

Enteric fever.—Sporadic cases of enteric fever were notified during the year. There was a total of 464 cases with 176 deaths, a slight increase over the previous year which was no doubt attributable in part to the influx of refugees.

Diphtheria.—There was a noticeable reduction in the figures for the year as only 308 cases and 148 deaths were notified, whereas in 1936 the figures were 375 and 214 respectively.

Leprosy.—Cases of leprosy were cared for by Government at the Kennedy Town Tung Wah Leper Settlement and there were thirteen deaths recorded during the year.

Diseases of the Respiratory System. (Non-tuberculous).—These diseases accounted for 10,380 deaths and occupied the first place in the list of causes of deaths during 1937. The overcrowded housing conditions, associated with the exceedingly common and filthy habit of expectorating, provide sufficient explanation for the prevalence of this group of diseases.

THE DUMPING OF THE DEAD.

To avoid paying burial fees, and, in the case of infectious diseases, to evade the cleansing of their houses by the Health Authorities, the poorer members of the Chinese community continued to dump dead bodies in the streets. In 1937 the Police found 1353 of these bodies.

HOSPITALS.

The Queen Mary Hospital which was built to replace the old Government Civil Hospital was formally opened on the 13th April. This hospital has accommodation for 546 beds and cots, 138 of which have been allotted to the three clinical units of the Hong Kong University.

The total number of in-patients admitted was 5,566 which includes 191 maternity cases. The daily average of general in-patients was 289. 4,631 general in-patients were treated by Government officers, and 229, 275 and 240 by the Medical, Surgical and Gynaecological Units of the University Staff respectively. Sixty-three per centum of the in-patients admitted were of Chinese nationality. The Casualty Department treated 1,933 out-patients (new cases). Some 295 deaths took place amongst in-patients.

The Government Civil Hospital was closed on the 30th of June after all patients had been transferred to the Queen Mary Hospital. General in-patients numbered 2,693, whilst 469 maternity patients were also treated, giving a daily average of 197. Deaths in in-patients amounted to 172.

When this hospital was closed a portion of it, "C" Block, was renovated to accommodate the out-patients department. 21,246 new cases were treated in the Government Civil Hospital and in "C" Block during the year. The building at the Queen's Road entrance to the hospital functioned throughout the year and was used exclusively for special out-patient clinics as follows:—

	New cases.
Medical University Unit	1,624
Surgical University Unit	4,459
Gynaecological University Unit	1,890
Eye Clinic (Government)	3,126
Venereal Diseases (Government)	1,811
Total	12,910

The Kowloon Hospital is situated on the mainland and stands in a medical reserve of over thirty acres. There are ninety-seven beds in the general blocks and thirty-four in the maternity block. The out-patients department as in previous years increased its activities.

The following summary shows the work carried out during 1937 as compared with 1936.

	1936	1937
In-patients.		
General	3,367	3,706
Maternity	1,137	1,372
Daily average.		
General	104	101
Maternity	23	22
Operations under general anaesthesia	1,033	1,322
Out-patients	66,193	101,709

Some 334 deaths took place in in-patients.

The Victoria General and Maternity Hospital which possessed forty-six general and twenty-six maternity beds in two separate blocks, was closed on the 7th of June.

During the period 1st January to 7th June the hospital accommodated 199 general and 30 maternity cases. The daily average for the general block was twenty-four and for the maternity block three women and three children. There were no deaths. The number of out-patients treated was 542.

The Mental Hospital had a daily average of seventy patients although it was designed to accommodate only thirty-two patients. The hospital is used mainly as a temporary abode for mental cases, Chinese and Europeans being repatriated to their respective countries. 149 lunatics were transferred to Canton in 1937. Some fifty-one cases remained from 1936 and 359 were admitted in 1937. Seventy-one cases were discharged as cured, sixty-two as relieved and fifty-two as not improved. There were twenty deaths.

The Government Infectious Diseases Hospital is situated at Kennedy Town on the western outskirts of Victoria. It contains only twenty-six beds which have been proved to be inadequate to accommodate the more serious types of infectious diseases. 1,299 cases of cholera, sixty cases of smallpox and eight cases of chickenpox were treated during 1937 at the Infectious Diseases Hospital and at the old Government Civil Hospital taken back temporarily into use.

Tsan Yuk Hospital.—Formerly financed and managed by the Chinese Public Dispensaries Committee this hospital was presented to the Government on the 1st January, 1934.

There are sixty beds of which fourteen were reserved for gynaecological cases until the Queen Mary Hospital was opened. During the year 2,096 maternity patients were treated. There were 1,934 deliveries, six maternal deaths, thirty-three infant deaths and eighty-three still-births.

The gynaecological unit treated 140 cases and performed sixty-nine operations. Only one death was recorded during the year. Ante-natal, gynaecological and infant welfare clinics were held by the obstetrical and gynaecological unit of the Hong Kong University where some 252, 572 and 2,109 cases respectively were treated or advised. This included new and old cases.

Tung Wah Infectious Diseases Hospital.—As these premises had been condemned for the treatment of acute infectious diseases, they were used as a settlement for lepers, the patients being treated by the Government Medical Officer in charge of the Infectious Diseases Hospital. The cost for maintaining the inmates, thirty cents per leper per day, is paid by the Government to the Tung Wah Committee. The number of lepers admitted during the year under review amounted to 167, ten having remained from 1936.

The record for 1937 was as follows:—

Transferred to Sheklung Leper Settlement, Kwangtung, China	49
Discharged	6
Discharged at own request	14
Absconded	35
Died	11
Remaining at end of year	62

The Chinese Hospitals.—These hospitals, the Tung Wah and Tung Wah Eastern situated on the Island and the Kwong Wah in Kowloon, are managed by the Tung Wah Committee, a charitable organization which receives a subsidy from Government. A Chinese Medical Officer, attached to the staff of the Medical Department, is stationed in each hospital. Patients are given the choice of receiving herbalist treatment or treatment by Western medicine; but gradually, with the aid of energetic directors, the illiterate and poorer classes of the local Chinese public are becoming enlightened and the majority now prefer the Western treatment. 16,175 in-patients received treatment by Chinese herbalist medicine and 31,794 were treated by Western methods. Operations performed during the year numbered 1,837.

In the out-patients departments 462,864 and 116,468 cases were dealt with by Chinese treatment and Western methods respectively.

TREATMENT OF OPIUM ADDICTS.

Opium addicts, all Chinese, were treated as in previous years at the Government Civil Hospital until it was replaced by the Queen Mary Hospital, and at the Tung Wah Eastern Chinese Hospital. Treatment in the Government institutions was under the supervision of Professor W. I. Gerrard, O.B.E., of the University Medical Unit, and eighteen patients were cared for in 1937.

Chinese Western-trained graduates, under the general supervision of a Government Visiting Medical Officer, treated 430 cases in the Tung Wah Eastern Hospital.

Chapter V.

HOUSING.

In recent years some evidence has been shown amongst the artizan class of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. This class of labour has to find its habitat as close as possible to the scene of its labour, with the result that the western part of the City of Victoria, which houses the native business quarter and closely adjoins the portion of the harbour handling the traffic from the West River and Chinese Coast Ports, is seriously overcrowded.

2. These conditions which were being slowly mitigated by the rebuilding of properties which from time to time were condemned for reasons of structural defects are now being more rapidly appeased by the operation of the Buildings Ordinance, 1935, which came into force on the 1st January, 1936. Overcrowding amongst the labouring class is still however prevalent.

3. The housing of the Colony is all privately owned, and control is maintained by the operation of the Buildings Ordinance, 1935, the provisions of which also mould the character of the housing. Generally the houses are built back to back in rows and are separated by a scavenging lane. These houses vary in height from two to four storeys according to the width of the street on to which they front, whilst the average height per storey is twelve feet, a minimum being controlled by the

Ordinance of 1903. The Buildings Ordinance, 1935, permits a minimum of eleven feet. The houses built prior to the 1903 Ordinance covering the greatest part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. After the passing of the Public Health and Buildings Ordinance, No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot is governed, and falls under two main heads, viz:—(*a*) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must not be less than one-fourth of the area of the site and (*b*) houses built on land bought subsequently where the minimum is raised to one-third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitation than to economics) and a depth of about thirty-five feet, whilst each storey consists of one large "room" with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles, each of which may accommodate a family. A latrine is built at ground floor level, one to each house irrespective of the number of occupants, and is common to all.

4. Structurally the earlier houses are of blue bricks (of native manufacture having a very low structural value) and timber, (usually China fir which is extremely susceptible to the ravages of white ants). Lately, however, reinforced concrete and better quality bricks have been used.

5. In the City of Victoria the major defect of housing is due to lack of town planning, but since a large proportion of the City was erected in the early days of the Colony, when town planning was little practised even in Europe, the conditions to-day are a heritage, the elimination of which involves immense sums of money, and probably considerable opposition if attempted on a large scale.

6. Generally, many of the old houses suffer from defects which are attributable to the Ordinance of that time. Passed in 1903 the measure was framed to meet existing conditions, both structurally and hygienically as they were then understood and practised. But, viewed in the light of modern practice and knowledge, many of its provisions are found to be lax.

7. The Buildings Ordinance, No. 18 of 1935, came into operation on the 1st January, 1936. This ordinance provides for improvement in the conditions of light and ventilation of those old properties which under the previous Ordinances were not called upon to conform to modern requirements. A higher standard generally is being called for and building owners are themselves slowly realizing the advantages to be gained from modern constructional methods allied to proper hygienic principles.

8. Some progress was made in the work of the Housing Commission and from the study of data collected a draft report was prepared for consideration by the Commission.

Chapter VI.

PRODUCTION.

Hong Kong is the port for South China, and the greater part of the large volume of goods that pass through it is in transit between South China and other parts of the world, including North and Middle China. The Colony itself produces comparatively little, though the shipbuilding, cement, rope, tin and sugar refining, rubber shoe and cotton knitting industries are not unimportant. Mining has been developed in recent years and agriculture is widely practised throughout the New Territories. Rice and vegetables are grown, and there is considerable poultry farming, but in insufficient quantities to supply the needs of the urban populations of Victoria and Kowloon. The cultivation is in the hands of the Chinese villagers. Sea fishing is an important industry, but here again local supplies have to be augmented by importation from outside.

2. Reports on the principal industries for the year 1937 are given below:—

Refined Sugar.—World sugar prices continued to advance in the early part of 1937, and, after a period of uncertainty as to the outcome of the quota arrangements decided upon at the World Sugar Conference in London in April, 1937, quotations again advanced in company, at last, with general commodity prices. There was a very marked increase in quotations, and business generally, in the Far East early in June when the sugar selling organization in Java raised its limits as a result of its newly strengthened position.

A surplus of sugar available over and above the U.S.A. import quota resulted in an attempt to sell Philippine sugar in Hong Kong, but this danger to the market was ended, after only a few deliveries had been completed, by the threat of action under the terms of the International Sugar Agreement.

The Kwangtung sugar mills did not all go into active production in conditioning imported sugars as in the previous year but confined their activities to crushing local cane only. Their total output was thus considerably reduced during 1937.

The start of hostilities in North China in July and the subsequent spread of fighting to most important markets in China resulted in a breakdown in normal trading. Considerable quantities of distressed sugar were landed in Hong Kong and this greatly depressed local prices until it had slowly gone into consumption. After the absorption of this cheap sugar, quotations late in the year rallied. A gain over the whole year of more than 30% in terms of raw sugar prices indicates the success of world-wide attempts to establish more remunerative price levels. The volume of trade has been greatly curtailed as the effects of the Sino-Japanese conflict have been more keenly felt with the passage of time, but eastern markets have been spared the additional disruptive effects of wildly fluctuating exchange rates, such as were threatened by the devaluation of the guilder in 1936.

The outlook for 1938 is extremely uncertain, depending on the march of political events in the world as a whole and the Far East in particular.

Cement.—Total imports of cement into the Colony during the year amounted to 1,201,440 piculs and exports to 1,615,806 piculs. As in previous years the bulk of the exports went to British Malaya. Large quantities were imported from Japan during the early part of 1937 but after the outbreak of Sino-Japanese hostilities supplies from this source ceased. As a result there was a very keen demand for the product of the local factory which has lately been operating at full capacity. Cement from Indo-China was imported in large quantities and found a ready market at advanced prices.

Preserved Ginger.—Local prices fluctuated during the year from $15 - $21 per picul for cargo ginger and from $22 - $26 for stem ginger. Exports were well maintained to all markets as will be noted from the following comparative figures of values of quantities exported:—

	1937.	*1936.*
To United Kingdom	$1,064,099	$1,107,427
,, Australia	408,059	346,913
,, Holland	281,206	202,578
,, U.S.A.	236,030	142,717
,, Other Countries	364,575	301,331
	$2,353,969	$2,100,966

Knitted, Woven & Made-Up Goods.—Local knitting and weaving factories and factories making up garments from imported cloth enjoyed fairly profitable trading conditions during 1937, exports to Empire markets showing notable increases as a result of Imperial Preference and (in the case of woven goods) quota regulations imposed by many Empire countries on cloth which is not "spun, woven and finished within the Empire". Local weaving factories, to obtain the benefit of exemption from quota regulations, are required to satisfy accountants that nothing but Empire yarn is used. India has therefore replaced North China and Japan as the source of supply for yarn for the local cotton and weaving industry. Factories weaving artificial silk cloth are using artificial silk yarn from the United Kingdom. To obtain the benefit of Imperial Preference local knitting factories and factories making-up garments are required to prove 25 per cent Empire content in the form of work done in Hong Kong and/or Empire materials used in manufacture. In the knitting industry also, India has replaced North China and Japan as the source of origin for lower count cotton yarns. In the manufacture of higher quality goods, Lancashire cotton yarn continues to be used.

The total values of exports of Hong Kong knitted, woven and made-up goods in 1937 were approximately as follows:—

Singlets	$4,187,258
Shirts	$2,387,664
Socks	$1,427,680
Other wearing apparel (chiefly pyjamas)	$2,000,000
Woven Goods	$3,000,000

Rubber Shoes.—The principal market for locally made rubber shoes is the United Kingdom. To satisfy the United Kingdom Customs authorities as to compliance with Imperial Preference requirements, local factories are required to satisfy accountants that they use exclusively rubber certified to be the produce of plantations situated within the British Empire, and canvas, the whole process of which has been carried out within the British Empire. The value of goods so certified and exported to the United Kingdom during 1937 totalled $3,215,073. The British West Indies also purchased increasing quantities totalling $1,427,634, the total value of exports to all countries being $5,486,659.

Flashlight Torches & Batteries.—The United Kingdom Customs Authorities having ruled that, to qualify for Imperial Preference, torches must be made in factories using British brass exclusively, arrangements are being made whereby some local manufacturers are organizing new factories in which British brass is to be used exclusively, the old factories continuing to use non-Empire brass for manufacturing torches exported to non-Empire countries. Under the United Kingdom Customs ruling, accountants are required to certify as to exclusive use of Empire brass. Small shipments, so certified, were made to the United Kingdom during 1937. The largest markets at present, however, for locally made torches are India and

Burma, Siam and Ceylon, and considerably increased quantities were shipped to these countries in 1937. The total value of exports to all countries in 1937 amounted to $3,670,609.

Exports of batteries were also well maintained, the principal purchasing countries and values of quantities taken being as follows:—Netherlands East Indies ($415,695), Burma ($302,921), Malaya ($274,260), Ceylon ($231,491), Other Countries ($616,589), Total ($1,840,956).

Tin.—Although slightly larger quantities of locally refined tin were shipped to Europe and the United States of America, the total volume of exports from Hong Kong during 1937 ($22,207,686) was about 15 per cent lower than in 1936 due to the decreased consumption in North China following the outbreak of hostilities there. The price was subject to wide fluctuations. The highest level was H.K.$265 per picul in March and the lowest H.K.$155 per picul at the end of the year.

Lard.—The total value of lard exported during 1937 amounted to 94,290 piculs valued at $4,057,026, of which 83,507 piculs valued at $3,632,764 was taken by the United Kingdom. The year closed with unfavourable prospects for business in 1938 as the United Kingdom Government has ruled that, to qualify for Imperial Preference, lard must be produced from pigs bred within the Empire. Most of the lard manufactured in Hong Kong is from the fat of pigs which are imported here from China.

Shipbuilding:—During the year the Colony's shipyards had under construction seven passenger ships, one cargo vessel, one naval sloop, one tug, one waterboat, six lighters and five launches, a total of twenty-two vessels of 14,073 tons gross.

Chapter VII.

COMMERCE.

1. The combined values of imports and exports of merchandise in 1937 increased by 35.0% as compared with 1936, and 70.5% as compared with 1935, in terms of local currency. In terms of sterling the total visible trade of the Colony increased by 32.2% in 1937 as compared with 1936 and by 9.0% as compared with 1935. (Details are given in Table I).

2. Imports of merchandise totalled $617.1 (£38.1) millions in 1937 as compared with $452.4 (£28.5) millions in 1936, and $365.0 (£35.3) millions in 1935; whilst exports totalled $467.3 (£28.8) millions in 1937 as compared with $350.9 (£22.1) millions in 1936, and $271.0 (£26.1) millions in 1935.

3. In terms of local currency imports of merchandise in 1937 increased by 36.4% as compared with 1936, and 69.1% as compared with 1935; whilst exports increased by 33.2% in 1937 as compared with 1936, and 72.4% as compared with 1935.

4. In terms of sterling values imports of merchandise increased by 33.7% in 1937 as compared with 1936, and 7.9% as compared with 1935; whilst exports increased by 30.3% in 1937 as compared with 1936, and 10.3% as compared with 1935. (It should be noted that the average T.T. rate of exchange on London was 1*s*. 2.$\frac{13}{16}$*d*. in 1937; 1*s*. 3.$\frac{3}{16}$*d*. in 1936; and 1*s*. 11.$\frac{5}{16}$*d*. in 1935).

5. It is estimated that the quantum of the import trade increased by 42.2% in 1937 as compared with 1936, and 53.3% as compared with 1935, but, of necessity, the volume of the import trade cannot be calculated accurately on account of the lack of a suitable unit of quantity and the fact that many commodities imported are declared by value only.

6. The following countries increased their shares of the import trade in 1937 as compared with 1936:—China, United Kingdom, U.S.A., French Indo-China, Australia and Belgium; whilst increased shares of the export trade were credited to British Malaya, French Indo-China, U.S.A. and Netherlands East Indies. (Details are given in Table II).

7. It will be seen from Table III that there were increased imports in 1937 of the following groups of commodities as compared with 1936:—Live animals, building materials, chemicals and drugs, Chinese medicines, dyeing and tanning materials, foodstuffs and provisions, fuels, hardware, liquors, manures, metals, minerals and ores, nuts and seeds, oils and fats, paints, paper and paperware, piece goods and textiles, railway materials, tobacco, wearing apparel and sundries, the only groups showing a decrease being machinery and vehicles. There were increases in all groups of exports with the exception of live animals, machinery, railway materials and vehicles.

8. Total movements of Treasure amounted to $781.6 millions in 1937 as compared with $216.5 millions in 1936. Imports totalled $386.4 millions in 1937 as compared with $72.7 millions in 1936, and exports $395.2 millions as compared with $143.8 millions. (Details are given in Table IV).

9. Average T.T. opening rates of exchange during the year 1937 were:—London: 1/2. $\frac{13}{16}$; France: 765.7/8; U.S.A.: 30.1/2; Shanghai: 102.7/16; India: 81.11/16; Singapore: 52.9/6; Japan: 105.13/16; Java: 55.3/16.

10. Wholesale prices in the Colony showed an increase of 27.2% in 1937 as compared with 1936 and an increase of 68.3% as compared with 1935. Increases were recorded in each of the four groups of commodities, viz., Foodstuffs, Textiles, Metals and Minerals, and Miscellaneous Articles.

Table I.

IMPORTS AND EXPORTS 1931-1937.

(in £'s & $'s millions).

IMPORTS.

	1931.	*1932.*	*1933.*	*1934.*	*1935.*	*1936.*	*1937.*
1st Quarter ...	£ 9.0	11.9	8.5	7.1	9.0	6.3	8.1
	$186.9	170.7	132.8	95.8	97.3	98.2	131.7
2nd Quarter ...	£ 8.7	10.2	8.5	7.1	10.7	7.4	9.5
	$180.1	164.7	126.1	99.7	94.0	114.1	154.8
3rd Quarter ...	£ 9.0	9.3	8.5	8.1	8.1	6.6	10.5
	$182.3	142.4	122.1	106.6	79.5	106.7	169.8
4th Quarter ...	£ 11.8	9.6	8.4	9.4	7.5	8.2	10.0
	$188.4	146.2	119.9	113.8	94.2	133.4	160.8
Total	£ 38.5	41.0	33.9	31.7	35.3	28.5	38.1
	$737.7	624.0	500.9	415.9	365.0	452.4	617.1

EXPORTS.

	1931.	*1932.*	*1933.*	*1934.*	*1935.*	*1936.*	*1937.*
1st Quarter ...	£ 6.8	8.8	6.8	5.8	6.9	4.9	6.5
	$140.1	127.0	105.3	77.5	74.8	76.0	105.7
2nd Quarter ...	£ 6.4	7.1	7.2	5.7	7.7	5.6	7.0
	$132.5	115.3	106.2	79.6	67.9	87.5	113.2
3rd Quarter ...	£ 6.5	7.2	6.6	6.1	5.8	5.1	7.0
	$130.6	110.0	95.5	80.5	56.6	81.5	113.8
4th Quarter ...	£ 9.2	7.9	6.8	7.2	5.7	6.5	8.3
	$138.7	119.6	96.1	87.5	71.7	105.9	134.6
Total	£ 28.9	31.0	27.4	24.8	26.1	22.1	28.8
	$541.9	471.9	403.1	325.1	271.0	350.9	467.3

NOTE:—Average rate of exchange 1931 = 1*s*. $0\frac{3}{4}$*d*.
1932 = 1*s*. $3\frac{3}{4}$*d*.
1933 = 1*s*. $4\frac{1}{4}$*d*.
1934 = 1*s*. $6\frac{3}{16}$*d*.
1935 = 1*s*. $11\frac{5}{16}$*d*.
1936 = 1*s*. $3\frac{3}{16}$*d*.
1937 = 1*s*. $2\frac{13}{16}$*d*.

Table II.

DISTRIBUTION OF IMPORTS AND EXPORTS OF MERCHANDISE BY COUNTRIES ($'000's omitted).

A.—IMPORTS.

	1936.		*1937.*	
	$	%	$	%
China	152,041	33.6	211,321	34.2
Japan	58,039	12.8	58,044	9.4
N. E. Indies	38,334	8.5	46,915	7.6
United Kingdom	29,008	6.4	46,732	7.6
U. S. A.	32,181	7.1	51,776	8.4
French Indo-China	25,760	5.7	40,779	6.6
Siam	29,780	6.6	22,652	3.7
Germany	23,618	5.2	30,898	5.0
British Malaya	7,352	1.6	9,125	1.5
India	5,755	1.3	6,424	1.0
Australia	9,114	2.0	13,351	2.2
Belgium	6,599	1.5	9,991	1.6
All Other Countries	34,769	7.7	69,056	11.2
Summary.				
United Kingdom	29,008	6.4	46,732	7.6
British Dominions and Possessions	29,911	6.6	52,916	8.6
China	152,041	33.6	211,321	34.2
All Other Countries	241,390	53.4	306,095	49.6
Total British Empire	58,919	13.0	99,648	16.2
Total Foreign	393,431	87.0	517,416	83.8
Grand Total	452,350	100.0	617,064	100.0

Table II,—*Continued.*

B.—Exports.

	1936.		*1937.*	
	$	%	$	%
China	149,739	42.7	190,401	40.7
British Malaya	25,767	7.3	39,800	8.5
French Indo-China	17,370	5.0	24,004	5.1
Japan	17,955	5.1	19,780	4.2
Macao	13,001	3.7	17,096	3.7
Siam	14,506	4.1	14,173	3.0
U. S. A.	28,436	8.1	41,129	8.8
Kwong Chow Wan	10,586	3.0	9,735	2.1
N. E. Indies	9,722	2.8	15,559	3.3
Philippines	11,500	3.3	13,208	2.8
India	4,819	1.4	5,360	1.1
All Other Countries	47,464	13.5	77,078	16.7

Summary.

	1936.		*1937.*	
	$	%	$	%
United Kingdom	13,282	3.8	20,874	4.5
British Dominions and Possessions	48,295	13.7	71,067	15.2
China	149,739	42.7	190,401	40.7
All Other Countries	139,549	39.8	184,981	39.6
Total British Empire	61,577	17.5	91,941	19.7
Total Foreign	289,288	82.5	375,382	80.3
Grand Total	350,865	100.0	467,323	100.0

Table III.

IMPORTS AND EXPORTS BY MAIN GROUPS OF COMMODITIES
($'000's omitted).

	Imports.		*Exports.*	
	1936.	*1937.*	*1936.*	*1937.*
Animals, Live	8,042	8,821	134	88
Building Materials	6,635	8,027	3,513	4,677
Chemicals & Drugs	5,408	9,973	3,441	6,536
Chinese Medicines	20,265	22,118	13,761	17,045
Dyeing Materials	4,736	8,170	3,636	5,310
Foodstuffs	123,411	155,343	91,912	118,637
Fuels	11,033	16,012	396	540
Hardware	3,937	6,915	3,072	5,217
Liquors	3,379	4,061	894	1,399
Machinery	9,060	8,866	9,947	4,861
Manures	8,886	13,348	10,221	11,807
Metals	41,032	67,391	36,973	44,570
Minerals & Ores	2,812	12,775	8,485	17,503
Nuts and Seeds	6,566	9,360	4,047	5,793
Oils and Fats	39,904	72,985	33,090	60,992
Paints	1,750	2,297	1,430	1,769
Paper and Paperware ...	13,417	16,089	7,894	10,443
Piece Goods	67,675	76,842	40,069	46,519
Railway Materials	84	1,068	1,155	873
Tobacco	5,891	8,150	4,321	7,415
Treasure	72,728	386,449	143,815	395,227
Vehicles	6,584	6,224	7,970	5,932
Wearing Apparel	4,123	4,448	12,591	19,684
Sundries	57,631	77,781	51,913	69,712
Total	525,079	1,003,513	494,680	862,549

Table IV.

IMPORTS AND EXPORTS OF TREASURE.

	Imports.		*Exports.*	
	1936.	*1937.*	*1936.*	*1937.*
	$	$	$	$
Bank Notes	22,545,864	80,111,618	24,756,807	18,178,291
Copper Cents	193,279	421,037	234	1,294,773
Gold Bars	3,656,465	11,112,926	33,217,868	10,979,127
Gold Coins	—	331,109	760,049	2,567,141
Gold Leaf	5,849	7,586	356,132	551,304
Silver Bars	45,288	6,448,118	25,876	5,985,968
H.K. Silver Dollars	277,420	176	49,176,000	403,000
Chinese Silver Dollars	45,241,301	152,676,901	2,975,093	262,617,500
Other Silver Dollars	22,446	—	15,345,501	5,129,465
Silver Sub. Coin	740,496	135,339,484	17,201,873	87,519,955
Total	72,728,408	386,448,955	143,815,433	395,226,524

Table V.

WHOLESALE PRICE CHANGES.
(1922 = 100)

Groups.	*1932.*	*1933.*	*1934.*	*1935.*	*1936.*	*1937.*
Foodstuffs	126.5	113.4	94.3	85.4	113.3	136.2
Textiles	125.2	97.0	85.9	74.2	99.4	117.7
Metals	128.1	107.8	97.4	79.8	107.2	146.1
Miscellaneous	109.7	95.7	88.5	72.3	92.5	124.4
Average	122.4	103.5	91.5	77.9	103.1	131.1

Chapter VIII.

WAGES AND COST OF LIVING.

The favourable rate of the local dollar which remained steady throughout the year undoubtedly helped the local industries.

Factories which produced goods for the Empire markets *i.e.* hand electric torches, rubber shoes, dry battery cells, cork and felt hats and artificial silk goods had a very good year. Taking all the local industries together a great improvement was made.

The system of payment remained the same. Piece work was the general rule in the lower grades of work of the light industries and in all mass production work. This system seemed to be the most satisfactory to the employers and the employed. Daily pay remained the rule for skilled male labour.

New industries sprang up, such as the manufacture of tooth brushes, gas masks and their component parts, and fertilizer from street refuse. Weaving and knitting factories, and also torch and battery factories, showed a marked increase in numbers.

There was a considerable improvement in employment. The heavy industries did a great deal towards this. Female labour, too, had a good year. In cigarette, torch, weaving and knitting factories, in all of which female labour predominates, the available space for workers was fully occupied.

Most of the factories worked full time. In a number of cases larger and better premises were taken over and much modern machinery installed.

No trouble was experienced in respect of wages or dismissals.

The number of factories increased by more than one third, from 541 to 731. 241 new factories opened, whilst only 51 closed down.

After allowing for seasonal fluctuations, there was a slight average rise in the prices of the commodities included in the cost of living index up to July, the last normal month before the outbreak of Sino-Japanese hostilities. But this rise was very uneven. While meat, vegetables, clothes and shoes prices rose, firewood and oil prices fell substantially. After July prices climbed rapidly to a peak (average) in late September, at levels between 20% and 70% above the corresponding figures for 1936, with the exception of tea and oil prices which rose about 10%. After September prices fell off about 15% in relation to the corresponding figures for 1936.

The price of rice varied between 20% and 33% above the corresponding figures for 1936, but in 1937 the peak price for the year was reached in August as opposed to December in 1936. The sharp rise in price which occurred in the latter half of 1936 proved largely permanent. The absolute variation during the year (25%) was about the same as in 1936 (23%) but, as in 1937 the interval between the two was two months as compared with eleven months in 1936 (the minimum being prior in both cases), the change was more keenly felt. Figures are:—

Per 100 catties. (average of 4 grades).

1937	June	August	Variation.
	$ 7.31	$ 9.16	25%
1936	February	December	
	$ 5.90	$ 7.27	23%

AVERAGE RATES OF WAGES FOR LABOUR.

Building Trade:—

Locomotive Drivers	$1.30	to	$1.80	per	day.
Carpenters	0.80	,,	1.30	,,	,,
Bricklayers	0.80	,,	1.30	,,	,,
Painters	0.80	,,	1.30	,,	,,
Plasterers (including Shanghai Plasterers)	1.00	,,	1.50	,,	,,
Scaffolders	1.00	,,	1.50	,,	,,
Labourers (male)	0.60	,,	0.80	,,	,,
,, (female)	0.40	,,	0.50	,,	,,

Working hours 9 per day. Time and a half paid for overtime. Free temporary sleeping quarters provided on the building site and communal messing at cheap rates.

Shipbuilding & Engineering:—

Electricians	$1.00	to	$1.40	per	day.
Coppersmiths	1.00	,,	1.60	,,	,,
Fitters	0.80	,,	1.55	,,	,,
Sawmillers	0.70	,,	1.25	,	,,
Boilermakers	0.95	,,	1.20		,,
Sailmakers	1.00	,,	1.40	,,	,,
Blacksmiths	0.75	,,	1.20	,,	,,
Turners	1.00	,,	1.40	,,	,,
Patternmakers	1.00	,,	1.40	,,	,,
Labourers	0.70	,,	1.00	,,	,,

Overtime—time and a half. Night work—double time.

Transport Workers:—

Tram Drivers	$36.00	to	$45.00	per	month.
,, Conductors	30.00	,,	39.00	,,	,,
Bus Drivers (Chinese Bus Co.) ...	27.00	,,	54.00	,,	,,
,, Conductors (Chinese Bus Co.) ...	18.00	,,	21.00	,,	,,
,, Drivers (European Bus Co.).	55.00			,,	,,
,, Conductors (European Bus Co.).	22.50	,,	35.00	,,	,,

Working hours 9 per day. Free Uniform. Bonus at end of year 3 days' pay. (Chinese Bus Co.).

9 hours a day. Free Uniform. One month's salary bonus. (European Bus Co.).

Railway Workers (Government).—

Station Masters	$1,100	to	$1,800	per	annum.
Telephone Operators	750	,,	1,400	,,	,,
Booking Clerks	600	,,	1,000	,,	,,
Guards	600	,,	1,000	,,	,,
Signalmen	—		1,000	,,	,,
Engine Drivers	540	,,	1,000	,,	,,
Ticket Collectors	420	,,	600	,,	,,
Firemen	330	,,	480	,,	,,
Pointsmen	192	,,	240	,,	,,

Female Workers in Factories:—

Cigarette making	$0.20	to	$0.70	per	day.
Knitting factories	0.20	,,	0.45	,,	,,
Perfumery	0.20	,,	0.40	,,	,,
Confectionery	0.20	,,	0.40	,,	,,
Electric hand torch factories	0.20	,,	0.30	,,	,,
Electric hand torch battery factories	0.15	,,	0.35	,,	,,

Working hours from 7 a.m. to 5 p.m. One hour off at midday. Overtime from 6 p.m. to 9 p.m. at day rates.

Domestic Servants:—

Employed by Chinese	$ 7.00	to	$20.00	per	month.
Employed by Europeans	15.00	,,	40.00	,,	,,
Gardeners	15.00	,,	30.00	,,	,,

With free lodging, and, with Chinese employers, generally free board.

NOTE:—The rates of pay of Government employees are much the same as those of a similar category in private employ.

Transport coolies	$0.60	to	$0.70	per	day.
Coal coolies	0.55			,,	,,
Ricksha coolies	0.60	,,	0.70	,,	,,

Chapter IX.

EDUCATION AND WELFARE INSTITUTIONS.

GOVERNMENT SCHOOLS.

These are either schools where the medium of instruction is English or mostly English or schools where the medium of instruction is Chinese. The former, seventeen in number, are known as "English" schools, the latter, of which there are four, as "vernacular" schools.

2. Of the four English schools, classed as "secondary" schools in the Table below, two are Anglo-Chinese schools for boys and one for girls. These three schools have primary departments. The fourth school, the Central British School which is a mixed school, has no primary department. Of the ten English schools, classed as "primary" schools in the Table, three are mixed schools preparing for the Central British School. In this group are also four "District" schools, including one for Indian boys and three "Lower Grade" schools, two of which are in rural districts. In those English schools which are attended by Chinese the study of English and of Chinese is carried on side by side, the *pari passu* system requiring that promotion shall depend on proficiency in both languages.

3. Of the three Government Schools classed as "vocational" one is the Junior Technical School which was opened in February, 1933, the other is the Evening Institute which is attended by persons desirous of receiving instruction for the most part germane to their day time occupations. The Trade School was opened in February 1937.

4. Of the four Government vernacular schools one has a seven years' course and includes a Normal department. There is also a normal school for women teachers and a normal school on the mainland which aims at providing vernacular teachers for rural schools. As explained in the Report for the year 1936, the alteration in the status of Un Long School has proceeded according to plan and this school is now classified as "Vernacular".

GRANT-IN-AID AND SUBSIDIZED SCHOOLS.

5. There are fifteen Grant-in-Aid English Schools, and three Grant-in-Aid Vernacular Schools Of the former, seven are schools for boys and eight are for girls.

6. One English school for girls has a primary department only, and one an infant department only. The remaining schools classed in the table below as "secondary" schools have primary departments as well as the upper classes.

7. Munsang College, Kowloon City, received a grant of $6,000.

8. The vernacular Grant-in-Aid Schools are schools for girls and classed in the Table as "secondary" schools.

9. The 283 subsidized schools are all vernacular schools.

UNAIDED SCHOOLS.

10. In 1937 there were 724 unaided vernacular schools with 46,139 children and 129 unaided English schools with 6,325 children.

Table showing number of schools and scholars for the year 1937.

CLASS OF INSTITUTIONS.	GOVERNMENT SCHOOLS.		GRANT-IN-AID AND SUBSIDIZED SCHOOLS.		UNAIDED SCHOOLS.	
	No. of Institutions.	On Roll.	No. of Institutions.	On Roll.	No. of Institutions.	On Roll.
ENGLISH :—						
Secondary, ...	4	2,272	14	7,341	5	877
Primary, ...	10	1,751	2	255	117	4,983
Vocational, ...	3	1,061	—	—	7	465
Total, ...	17	5,084	16	7,596	129	6,325
VERNACULAR :—						
Secondary, ...	1	240	3	1,080	—	—
Primary, ...	1	100	283	19,738	723	45,837
Vocational, ...	2	219	1	472	1	302
Total, ...	4	559	287	21,290	724	46.139

Total No. of Institutions 1,177

Total on Roll 86,993

N.B.—Kindergarten boys attending Grant-in-Aid Schools for girls are not shown separately.

THE UNIVERSITY.

11. The University of Hong Kong was incorporated under a local University Ordinance, 1911, and opened in 1912. It is a residential University and open to students of both sexes.

12. The University hostels are three in number—Lugard Hall, Eliot Hall and May Hall. There are also three recognized hostels for men, St. John's Hall, Morrison Hall and Ricci Hall, and one—St. Stephen's Hall for women. No university hostel at present exists for women students.

13. The late Sir Hormusjee Mody bore the entire expense of the erection of the main building. Additions have been made through the liberality of benefactors of varied nationality and domicile. The latest additions to the buildings are a School of Chinese Studies, the cost of which was borne by Mr. Tang Chi Ngong a local Chinese merchant and banker, and a Chinese Library named after the late Mr. Fung Ping Shan who provided a sum of $100,000 for the building and $50,000 as an endowment fund for its maintenance; also a School of Surgery and a new Engineering Laboratory named after a former Governor, Sir William Peel. In 1936 a first class gymnasium was added to the University buildings. The entire cost of this building and its equipment was the generous gift of Mr. Eu Tong Sen, one of the leading Chinese in the Colony.

14. The income of the University for 1937 amounted to $1,018,116 of which $404,902 was derived from endowments and $350,000 from Government. Messrs. John Swire & Sons, Ltd., gave £40,000 to the original endowment fund and subsequently $100,000 for engineering equipment. The Rockefeller Institute has endowed the University with three chairs in surgery, medicine and obstetrics, the endowment being in each case $250,000. The annual expenditure in 1937 amounted to about $1,021,278.

15. The University includes the three faculties of Medicine, Engineering and Arts. Admission to all faculties is conditional upon passing the matriculation examination of the University or some examination recognized as equivalent thereto.

16. The Faculty of Medicine provides a six year course of study in the usual pre-medical and medical sciences, leading to the degree of M.B. and B.S. The degrees of M.D. and M.S. are awarded on examinations but are subject to the proviso that every candidate for the degrees shall produce evidence of special post-graduate experience in the subject which he presents. The degrees above mentioned are recognized by the General Medical Council for registration in Great Britain.

17. The Faculty of Engineering provides a four years' course in practical and theoretical engineering, leading to the degree of B.Sc., (Eng.). Fourth year students specialize in civil, mechanical or electrical engineering. The degree for post-graduate work is that of M.Sc., (Eng.).

18. The Faculty of Arts includes departments of pure arts and science, social science, commerce, a department of Chinese studies and a department for training teachers. The course is in all cases one of four years and leads to the degree of B.A. The degree for post-graduate work is that of M.A.

19. With a view to securing the maintenance of the desired standard—which is in all three faculties that of a British University degree—external examiners are, in all faculties associated with the internal examiners in all annual final examinations. In the Faculty of Engineering, but not in other faculties, degrees with honours are granted, the standard being assessed by special examiners chosen from amongst the external examiners in the University of London.

20. The degree of LL.D. is granted *honoris causa.*

CHARITABLE INSTITUTIONS.

21. The following are the best known Charitable Institutions.

French Convent Orphanage.
Italian Convent Orphanage.
Maryknoll Convent, Kowloon.
St. Louis Industrial School.
Po Leung Kuk—Chinese.
Taipo Rural Orphanage School.
Society of Precious Blood Hospital.
Industrial Home for the Blind, Pokfulam.
Home for Aged Poor, Kowloon.
La Calvaire Home for Aged Poor, Happy Valley.
Eyre Refuge.
Salvation Army Home.
Industrial School, Aberdeen.

RECREATION AND ART.

22. Most of the schools contrive to hold annual sports either on their own grounds or on grounds generously lent by local cricket and football clubs. Lawn tennis, football, swimming, volley ball and basket ball continue to increase in popularity. Cricket is played at a few schools. Physical training is given by qualified instructors. Art is taught in the Government British schools by trained art mistresses.

Chapter X.

COMMUNICATION AND TRANSPORT.

The external communications of Hong Kong are excellent both by sea and by telegraph, cable and radio. As regards the former, the Peninsular and Oriental Steam Navigation Co., the Nippon Yusen Kaisha, the Blue Funnel Line, the Messageries Maritimes, and several other British and foreign companies maintain regular passenger and freight services between Hong Kong and Europe. The trans-Pacific communications are well served by the Canadian Pacific Steamships Ltd., the Dollar Line, the Nippon Yusen Kaisha, and other steamship lines. To Australia three steamship companies, the Eastern and Australian, Nippon Yusen Kaisha, and Australian and Oriental maintain regular passenger and freight services. In addition there are direct sailings to Africa, South America, and to New York. There is frequent and regular communication between Hong Kong and other Far Eastern ports in India, Java, Straits Settlements, Formosa, Indo-China, Japan and the China coast. Local steamship communication is by river steamer from Hong Kong to Canton and the West River ports with several sailings daily. In addition there is a vast traffic between Hong Kong and the adjacent provinces of China by junk and sampan.

2. The total shipping entering and clearing Ports in the Colony during the year 1937 amounted to 73,257 vessels of 37,830,760 tons which compared with the figures for 1936 showed a decrease of 10,314 vessels and 3,900,256 tons. Of the above, 33,782 vessels of 36,191,724 tons were engaged in foreign trade as compared with 40,626 vessels of 40,063,663 tons in 1936. There was a decrease in British ocean-going shipping of 294 vessels and 234,162 tons. Foreign ocean-going vessels showed a decrease of 1,162 vessels and 2,105,107 tons. British river steamers showed a decrease of 487 vessels and 622,960 tons. Foreign river steamers showed a decrease of 781 vessels and 315,086 tons. In steamships not exceeding 60 tons employed in foreign trade, there was a decrease of 1,405 vessels with a decrease in tonnage of 35,962 tons. Junks in foreign trade showed a decrease of 2,715 vessels with a decrease in tonnage of 558,662 tons. In local trade (*i.e.*, between places within the waters of the Colony), there was a decrease in steam launches of 363 vessels with a decrease in tonnage of 12,406 tons. Junks in local trade showed a decrease of 3,107 vessels with a decrease in tonnage of 15,911 tons.

3. The Eastern Extension Australasia and China Telegraph Company (British) by means of three cables to Singapore, one direct and one each *via* Labuan and Cape St. James respectively,

provides good connections with Europe *via* India, with Australasia, and with the other British Colonies and Possessions. By their cable to Manila connection is made with the direct American cable, thence to San Francisco. Two cables to Shanghai, belonging respectively to the Eastern Extension and to the Great Northern (Danish) Companies, *via* Foochow and Amoy respectively, give a good connection with Shanghai, North China, Japan and Russia; the system of the Great Northern Telegraph Company gives a good service to Europe *via* Asiatic Russia.

4. The Government operates commercial radio services with direct communication to the Chinese stations in Shanghai, Foochow, Amoy, Swatow, Canton, Yunnanfu, Hankow and *via* Hankow to inland places in China, to Macao, Formosa, French Indo-China, Siam, Philippines, Dutch East Indies, British North Borneo, *via* Manila to Europe, America, etc. and *via* Malabar to Australasia, Europe, etc.

5. The revenue collected by the Radio Office during the year from radio telegrams amounted to $975,459, an increase of $298,913 on the amount collected in 1936. Advices of vessels signalled at the Lighthouses yielded $1,464. The total Revenue from the telegraph service amounted to $976,923. Ship Station Licences yielded $1,600, Amateur Transmission Station Licences $300, Broadcast Receiving Licences $102,232, Dealers' Licences $2,800, Examination Fee for Operators' Certificates of Proficiency $270 and Limited Licences $2,550.

6. The number of paid radio-telegrams forwarded during the year was 236,401 consisting of 2,923,162 words against 167,883 consisting of 1,630,029 words in 1936 and 234,477 were received, consisting of 2,999,469 words against 194,973 consisting of 2,112,835 words.

7. In addition to the paid traffic figures given above the wireless Service is responsible for the reception of time signals daily from Bordeaux, Rugby, Malabar and Nauen, for the transmission of time signals to ships in the China Sea, the reception of press messages amounting to 516 messages or 360,609 words from Rugby, the collection and distribution of meteorological traffic, 13,844 messages (754,500 words) having been forwarded, and 24,238 messages (1,304,558 words) having been received, the reception and dissemination of distress, piracy and navigation messages, the transmission and reception of Government messages, etc.

8. A telephone service between Hong Kong and Canton, a distance of 110 miles, is in operation. During 1937 a telephone service between the Colony and Hankow was inaugurated.

9. *Mails.*—The number of mail receptacles of Hong Kong origin despatched during the year was 44,416 as compared with 41,681 in 1936—an increase of 2,735, the number received was 53,153 as compared with 48,672—an increase of 4,481.

10. Receptacles in transit, including those to and from British and Foreign Men-of-War, numbered 163,888 as against 146,126 in 1936—an increase of 17,762.

11. *Registered Articles and Parcels.*—The number of registered articles handled amounted to 886,262 as compared with 660,866 in 1936—an increase of 225,396.

12. The figures for insured letters were 12,268 and 12,540 respectively—a decrease of 272.

13. Parcels, ordinary and insured, which were dealt with reached a total of 188,626 as against 164,482 in 1936—an increase of 24,144.

14. The Railway may be said to have experienced the most eventful year in its history. Abnormal occurrences, in chronological order, were a disastrous fire on the up through fast train in January resulting in the death of 84 persons; a major derailment of the same train twelve days later; record passenger traffic during the Ching Ming festival in April and the Coronation celebrations in May; linking-up of the Canton-Hankow and the Canton-Kowloon Railways in August; the subsequent introduction of a working agreement for through goods traffic between Kowloon and Hankow; use of all available space on the Railway Reclamation at Kowloon for storing cargo originally destined for Shanghai but diverted to Hong Kong owing to Sino-Japanese hostilities; intensive damage to track and the total suspension of traffic for 10 days caused by a record typhoon in September; and lastly, the intensive bombing of the Chinese Section of the line from October to December which caused dislocation of traffic, damage to rolling stock and the ultimate cancellation of the through morning and mid-day passenger trains.

15. Receipts and net operating revenue were $1,331,468.73 and $436,935.30 respectively, as against $1,245,469.16 and $454,733.00 the previous year. Since revenue was reduced by $193,000 due to the loss of both Shum Chun Casino traffic and foreign express train haulage, and expenditure was increased by more than $113,000 through the two causes mentioned in the following paragraph, the results can be considered as being very satisfactory.

16. Operating expenditure was $894,533.43 compared with $790,736.16 in 1936. The increase is due to heavy repair work necessitated by the disastrous typhoon, which cost the Railway $80,883.12, and also to the higher price of coal. The operating ratio declined from 65.49% to 67.18% due to these causes.

17. The track on both sections was well maintained, although continued bombing caused serious delays to traffic for the last 2½ months of the year.

18. The total steam train mileage run amounted to 295,687, compared with 334,674 the previous year; this includes trains hauled by British Section locomotives over the Chinese Section. Motor coach mileage was 4,217. Passenger journeys were 2,721,518, as against 2,826,867 in 1936.

19. A notable operating improvement was the construction in the Railway workshops of an air-conditioned lounge car of the ice-activated type. This car which was placed on the Canton run in June and called the "Aurora" aroused great public interest as it was the first of its kind in China. The increased patronage surpassed the most sanguine expectations, and it was necessary to institute a booking fee of 50 cents to cope with the great demand for seats. The results obtained have led the Chinese Section to plan the construction of two similar coaches. Unfortunately, owing to the hostilities between China and Japan it was considered desirable to withdraw the car from service in September.

20. The most noteworthy event of the year was the construction of a loop connecting the Canton-Hankow and the Canton-Kowloon Railways. This connection, which is approximately 9 miles in length, runs practically due east from Sai Chuen, a station 4¾ miles north of Wongsha (Canton West), to Shek Pai Junction, 5 miles from Tai Sha Tou (Canton East). The final junction with the Canton-Kowloon Railway was made on the night of August 17th/18th. The first train to reach Kowloon *via* the loop consisted of nine 40-ton covered goods wagons which carried bullion from Hankow. This train arrived at 9.28 a.m. on August 27th. Since that date many goods trains and three passenger trains have completed the 791 miles journey between Kowloon and Wuchang. The increase in through goods earnings from $44,694.93 to $167,556.45 can be attributed directly to the linking-up of the two Railways.

21. There are 371 miles of roads in the Colony, 173 miles on the Island of Hong Kong, 106 miles in Kowloon and 92 miles in the New Territories. Of the total mileage 293 miles are constructed in water bound macadam dressed with asphalt, 12 miles in sheet asphalt on a cement concrete foundation, 13 miles of tar macadam, 17 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 39 miles of earth roads.

22. The public travelling over the Colony's roads increases yearly with a corresponding growth in the number of motor buses, of which there are 88 operating on the island of Hong Kong, and 111 on the mainland. These are gradually replacing the rickshaws, the number of which decreases year by year.

23. The Hong Kong Tramway Company has a fleet of 97 double deck tram cars running along the sea front of Victoria from Kennedy Town to Shaukiwan.

24. Communication between the island and the mainland is maintained by a number of ferry services; the most important of which are the Star Ferry between Kowloon Point and a pier near the General Post Office, and the combined vehicular and passenger service of the Hong Kong and Yaumati Ferry Company between Jordan Road, Kowloon, and Jubilee Street, Victoria.

Chapter XI.

BANKING, CURRENCY, WEIGHTS & MEASURES.

The Colony is well served by banking institutions, including branches of English, American, French, Netherlands, Japanese and Chinese banks. Besides the fourteen banks which are members of the Clearing House, there are several Chinese Banks and many native Hongs do some banking business. There are no banks which devote themselves specially to agricultural and co-operative banking. The Hong Kong and Shanghai Banking Corporation also conducts the business of the Hong Kong Savings Bank on usual savings bank principles. The credit and repute of the Colony's financial institutions are high and it is satisfactory to know that ample encouragement and support are available to finance any possible demand.

2. The Currency of the Colony which was formerly based on silver underwent very important changes at the end of 1935. The unit of currency is the Hong Kong dollar, divided into 100 cents. Under the former regime its exchange value fluctuated with the price of silver; but since the passing of the Currency Ordinance 1935, on the 5th December, 1935, the value of the dollar is controlled by an Exchange Fund, which has power to buy and sell foreign exchange, and has taken over the silver formerly held against their issues by the note-issuing banks, in return for certificates of indebtedness against which the Fund may hold bullion, foreign exchange or approved securities. At the 30th June, 1937 (the latest date for which figures have been made public) the Fund had issued Certificates of Indebtedness to the value of $152,652,579 equivalent to £9,342,020 at the middle market rate on that day, 1/2$\frac{11}{16}$; and the total assets of the Fund amounted to £10,316,240.

The legal tender currency of the Colony is now as follows:—

(*a*) Bank notes, the excess of which over the fiduciary issue of each bank is now backed by certificates, not by silver as formerly:—

At 31.12.37.

(*i*) Chartered Bank of India, Australia & China ...$ 25,172,604 (*ii*) Hong Kong & Shanghai Banking Corporation ...$199,689,793

(*iii*) Mercantile Bank of India ... ...$ 5,175,570

(*b*) Government $1 notes, of which $3,900,000 have been issued.

(*c*) 10 cent and 5 cent cupro-nickel coins.

(*d*) 1 cent copper coins.

(*e*) The silver dollars and .800 fine silver sub-coin (10 cent and 5 cent pieces, and a few 50 and 20 cent pieces) which have either remained in circulation in the Colony or filter back into it from the mainland of China, are still legal tender in the Colony (sub-coin only up to an amount of $2.00).

During 1937, which may be regarded as the first year of normal operation of the Exchange Fund, the exchange value of the Hong Kong dollar was maintained with great steadiness at about the level established in the latter part of 1936. The official rate quoted by the Hong Kong and Shanghai Banking Corporation for the sale of sterling varied between a maximum of $1/2\frac{29}{32}$ in January and February and a minimum of $1/2\frac{19}{32}$ in July; and for the last four months remained unchanged at $1/2\frac{7}{8}$. Market rates were usually a fraction higher.

3. The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = 0.0133 ounces avoirdupois.

1 tsin (mace) = .133 ounces avoirdupois.

1 leung (tael) = 1.33 ounces avoirdupois.

1 kan (catty) = 1.33 pounds avoirdupois.

1 tam (picul) = 133.33 pounds avoirdupois.

and

1 chek (foot) = 14$\frac{5}{8}$ English inches divided into 10 tsün (inches) and each tsün into ten fan or tenths.

Chapter XII.

PUBLIC WORKS.

During the year under review the operations of the Public Works Department were carried out, under a Head Office Staff, by eleven sub-departments, namely the Accounts and Stores, Architectural, Buildings Ordinance, Crown Lands and Surveys, Drainage, Electrical, Port Development, Roads and Transport, Valuations and Resumptions, Waterworks Construction and Waterworks Maintenance offices.

2. The European staff comprised 149 officers and the non-European approximately 638.

3. The following is a summary of works carried out during the year:—

BUILDINGS.

4. Works completed were:—Queen Mary Hospital with Staff Quarters; Wanchai Market; Wholesale Market at Kennedy Town; Stanley Market; Postal Kiosk at Stanley; Wireless Telegraph Station at Hung Hom; Sports Pavilion at Central British School; Kam Wah Street Latrine; Shelter and Car Park at Garden Road; Car Shelters at Stanley Prison; Ta Ku Ling Police Station; Latrine at Tsun Wan Market; Barricades to Police Stations in the New Territories and the demolition of the old Central Market, old Wanchai Market and Queen's Gardens.

5. Works under construction were:—Government Stores and Workshops; additional block of flats at Stanley Prison and the new Central Market.

6. In addition to general maintenance numerous minor alterations, improvements and additions were executed to Government Buildings during the year and repairs of varying magnitude were carried out to practically all Government Buildings damaged by a severe typhoon on the 2nd of September.

COMMUNICATIONS.

7. Works completed were:—Cutting and filling of the section of road adjoining Inland Lots Nos. 3685 & 3686, Blue Pool Road; widening of that portion of Garden Road between the Lower Peak Tram Station and the Helena May Institute; raising the first section of Electric Road to new Town Planning levels; Magazine Gap Road was widened and a Car Park constructed at the junction of this road with Bowen Road; surfacing of Sai Kung Road from Sam Tack Road to Field Cottage site; improvements to Sha Tin Pass Road; road to Smuggler's Pass and road from Au Tau to Shek Kong.

8. Works under construction were:—Widening and surfacing of Customs Pass Road; surfacing of Sai Kung Road from Field Cottage site to Customs Pass Road; strengthening of bridges at Tsun Wan, Tsing Lung Tau, Tai Lam Chung (small bridge); rebuilding of a large bridge at Tai Lam Chung; surfacing of road to Smuggler's Pass and approach road to Tsun Wan Cemetery.

DRAINAGE.

9. In Hong Kong, new main sewers and storm water drains to a length of 5,361 feet and new open channels of varying sections to a length of 717 feet were laid. In addition, 188 feet of existing nullah was decked over and 142 feet of main storm water drain previously inverted was completed. In Kowloon, New Kowloon and New Territories, new main sewers and storm water drains to a length of 6,414 feet, and new open channels of varying sections to a length of 528 feet were laid. Nullah walling was constructed to proper height and parapet walling built for a length of 500 feet.

10. Anti-Malarial work was continued in Hong Kong by the letting of two new contracts, one for an area between the two reservoirs at Aberdeen, the other in the vicinity of Pokfulam between the Queen Mary Hospital and Sandy Bay. Although these contracts were not let until late in the year good progress was made on preliminary work and excavation, and at Aberdeen area 300 feet of main channel was constructed. A 3,000 gallon reservoir with a "De Villiers" automatic syphon sluice was erected near Mount Cameron Road, and minor channelling was laid near Inland Lot No. 2441, Victoria Road. In Kowloon, several short lengths of channelling were laid as requested by the Government Malariologist. In New Kowloon, working on training the stream-course west of New Kowloon Inland Lot No. 1969 at Ngau Shi Wan was commenced in November. A length of 150 feet of 36″ diameter channel was completed. Filling to the amount of 1,200 cubic yards was also completed and an area of 300 super yards was turfed.

WATER WORKS.

11. On the maintenance side the following works were carried out:—

12. In Hong Kong the following lengths of new mains were laid to improve distributions:—120 feet of 15″, 287 feet of 10″, 1,105 feet of 6″, 144 feet of 5″, 2,271 feet of 4″, 2,211 feet of 3″, 904 feet of 2″. 3,624 feet of subsidiary mains were laid in back lanes. The Stanley Water Supply Scheme was completed. Construction of a 50,000 gallon covered service reservoir for Repulse Bay commenced.

13. In Kowloon and New Kowloon the following lengths of mains were laid:—1,367 feet of 12″, 1,724 feet of 6″ and 3,607 feet of subsidiary mains in back lanes.

14. In the New Territories mains were laid as follows:—5,907 feet of 4″ at Tsun Wan, 780 feet of 3″ at Taipo and 364 feet of subsidiary mains in back lanes.

15. The Jubilee Reservoir at Shing Mun was taken over from the Consulting Engineers on 1st May. Certain defects in Pineapple Pass Dam were discovered in September and were referred to the Consulting Engineers whose final decision had not been received at the close of the year.

16. The disastrous typhoon of 2nd September caused only minor damage to Water Works.

17. During the year experimental waste detection work was carried out and reports were submitted to Government with a view to the establishment of a permanent waste detection branch.

18. On the construction side the following works were carried out:—

19. The laying of the first section of the second 24″ diameter trunk main from the Shing Mun Valley between Shek Lai Pui Service Reservoir and Waterloo Road was completed and brought into use in July.

20. The total length of main laid was 16,876 feet of which 16,286 feet consisted of new pipes.

21. The third section of the rapid gravity filters for the Shing Mun Valley Scheme was completed and brought into use in July. With the completion of this section, which deals with five million gallons per day the total filtration capacity of the plant is now fifteen million gallons per day. Provision has been made for the addition of a further five million gallons per day at a future date.

22. The following works in connection with a general extension of the Water Works and described in Sessional Paper No. 3/1937 were approved by the Secretary of State:—supply to Albany; supply to Peak Road; new Cross Harbour Pipes; rapid gravity filters at Eastern; Kowloon Tsai Service Reservoir and Supply Mains thereto; Distribution—Island and Mainland and Shing Mun Valley Scheme Catchwaters.

23. Of the above a contract was let in October for the first section of the Shing Mun Catchwaters, on which good progress was made. Pipes and specials were ordered through the Crown Agents for the Cross Harbour Pipes. Of the remaining items work was mainly restricted to preliminary investigations, designs, detailed estimates and the preparation of contract documents.

RECLAMATIONS.

24. At North Point and Kennedy Town, areas of about 0.75 acres and 1 acre respectively were reclaimed by free deposits of building debris. At Kun Tong an area of about 2 acres has now been reclaimed by the depositing of town's refuse by the Urban Council.

25. Extensive repairs were carried out to piers and seawalls which were damaged in the typhoon of 2nd September. At Lai Chi Kok a length of 750 lineal feet of seawall was reconstructed.

ELECTRIC WORKS.

26. Wireless:—Aerial systems were renewed and improved at Cape D'Aguilar Transmitting Station. The re-broadcasting receiver at Victoria Peak was improved, and special aerials were erected. A Lamson pneumatic tube was installed to facilitate communication between the Royal Observatory and the Kowloon Wireless Telegraph Station. A new receiver and several new batteries were fitted at Water Police Stations. An experimental transmitter of increased power was constructed for alternative broadcast programmes and one new lattice work mast was erected.

27. Hospital apparatus from the Government Civil Hospital was removed, repaired and installed at Queen Mary Hospital.

28. Lighting, power and telephones:—Lights, fans, lifts, telephones and bells in Government Buildings were maintained in good order. Two submarine cables were repaired. Lines were run, and telephones fitted in various offices and hospitals, and alarm bells were fitted in hospitals and gaols.

29. Work on new electrical installations at the following places was in hand:—Queen Mary Hospital; Wanchai Market Stanley Village Market; Victoria Gaol and Guards' Quarters at Wyndham Street; Government Civil Hospital; Stanley Prison; Kennedy Town Market; Western Market; new Broadcasting Station; Central British School; Kowloon City Police Station and new Wireless Station Hung Hom. Improvements and additions were carried out in forty-seven buildings in Hong Kong and fifteen in Kowloon.

30. One cross harbour submarine cable was laid.

BUILDINGS ORDINANCE OFFICE.

31. The volume of new building work coming under the jurisdiction of the Buildings Ordinance, 1935, showed a slight decrease in comparison with the figures for 1936.

32. Plans for alterations and additions to existing buildings again comprised the major part of plans deposited. There was an increase in the number of European houses but a decrease in the number of Chinese tenement type houses dealt with. Buildings of a non-domestic character showed an increase.

33. The large increase in the cost of building material which occurred toward the middle of the year was reflected in a marked falling off in the number of plans deposited during the last quarter.

34. Plans were approved for the following more important works:—Demolition of slum property and rebuilding of a block of modern Chinese type houses, Lyndhurst Terrace and Gage Street; Chinese Restaurant, Wing Lok Street and Bonham Strand West; Chinese Restaurant, Queen's Road West and Possession Street; Super Service Station, Arsenal Street; a block of eighteen Chinese houses, Gloucester, Jaffe and Canal Roads; a block of ten Chinese houses, Morrison Hill Road; European flats Nos. 74 to 76 Macdonnell Road; a block of twelve Chinese houses, Wanchai Road; St. Stephen's Junior School, Stanley; three Godowns, King's Road; New Wharf, Taikoo; Biscuit Factory, Electric Road; Roman Catholic Chapel, Pokfulam; four blocks Chinese Quarters, Dairy Farm, Pokfulam; Printing Factory, King's Road; Ice Store and Garage for Dairy Farm Company, Canton Road; two large Godowns, Canton Road; Pea-nut Oil Factory, Castle Peak Road; block of four Chinese houses, Lai Chi Kok Road; a block of ten Chinese houses, Lai Chi Kok Road; a block of twelve Chinese houses, Reclamation Street; Chinese Restaurant, Shanghai Street; large Godown, Saigon Street; a block of three European houses, Taipo Road; Brewery, Tsun Wan Marine Lot No. 5; eleven European houses, Argyle Street; two blocks of European flats, (comprising in all twelve flats) with garages, Argyle Street; five storey block of flats, Austin Road and Avenue; one pair of European houses, Austin Road; La Salle Junior School, Boundary Street; Cinema Theatre, Carpenter Road; three European houses, Grampian Road; Church, Hillwood Road; Church and School, Kak Hang Tsun Road; China Light and Power Company Sub-Station, Ma Tau Chung Road; Cracker Factory extension, Pak Tai Street; two pairs European houses, Prince Edward Road; three storey Godown, Pak Tai Street; New Power Station, Tai Wan; a block of twelve Chinese houses, To Kwa Wan Road; Factory for Hong Kong Dairy Supply Company, Waterloo Road.

35. Buildings of importance completed were:—Chinese Restaurant, Wing Lok Street and Bonham Strand West; a block of European flats, Robinson Road; Cold Storage Building, Dairy Farm Company, East Point; Sisters' Quarters, St. Paul's Hospital, Causeway Bay; Church and Hall, Causeway Bay; fourteen Chinese houses, Gloucester, Marsh and Jaffe Roads; eighteen Chinese houses, Gloucester, Stewart and Jaffe Roads; Office Building, 10 Queen's Road Central; Office Building, 9 Queen's Road Central; Hong Kong Electric Company Sub-Station, Chiu Lung Street; Carmelite Sisters' Convent, Stanley; Garden and Swimming Pool, Repulse Bay; three Godowns, King's Road; European type flats, "Hill Crest" The Peak; Printing Factory, King's Road; Private Hospital, Kiu Kiang Street; large extension to Weaving Factory, Un Chau Street; two large Godowns, Hong Kong and Kowloon Wharf and Godown Company, Canton Road; a block of twelve Chinese houses, Reclamation Street; large Godown, Hong Kong and Kowloon

Wharf and Godown Company, Saigon Street; Girls' School, Hau Pui Loong; Church, Waterloo Road; Maryknoll Convent School, Waterloo Road and Boundary Street; Chinese Christian Church, Ma Tau Chung Road; School, Church and Priests' Quarters, Kak Hang Tsun Road.

36. Occupation permits were issued for 116 Chinese tenement houses, of these forty were erected in Kowloon and seventy-six on the Island. Occupation permits issued for fifty-seven European type houses, of these thirty-eight were erected in Kowloon and nineteen in Hong Kong.

37. The number of water flushed sanitary installations approved amounted to 1,843.

38. Twelve fires causing structural damage were reported. In a fire which occurred at Nos. 21 to 25 Sa Po Road, the building was completely gutted. The building was a three storey structure with wooden floors, stairs and roofs without egress to roofs. Four of the inmates were burned to death.

39. During the typhoon of 2nd September a conflagration broke out at Nos. 131 to 137 Connaught Road West. The buildings were of the early tenement type, and with the exception of two houses, the roofs, floors and stairs were of wooden construction. Egress to roofs was provided. Practically all the wooden floors and stairs collapsed, but little damage was done to walls. Several lives were lost, but as the ground floors were flooded by heavy seas from the harbour, the cause of death could not be ascertained.

40. It is noted that fires in houses of reinforced concrete construction were confined mostly to the floors in which the outbreak occurred, and in the majority of cases resultant damage was slight.

41. Nineteen collapses were reported, eleven of which occurred as a result of the very severe typhoon experienced on the 2nd September. The total casualties for the year due to collapses amounted to two. A serious accident occurred during the operation of a piling plant on Kowloon Inland Lot No. 3871, Canton Road. The accident was attributed to an exceptionally severe and sudden gust of wind, which caused the plant to overturn. Six people were killed and several injured.

42. Three landslips occurred as a result of the heavy rains. One casualty occurred as the result of a quantity of overhanging decomposed granite and boulders falling on to a shed at Tai Kok Tsui (Kowloon Quarry No. 14).

43. Plans were approved for the construction of a seawall and the reclamation of an area comprising 2,137,000 square feet at Tsun Wan Marine Lot No. 8. Preparation work only was carried out.

44. The Chinese Cemeteries in Hong Kong, Kowloon and New Kowloon were maintained in good order and provision was made for additional burial spaces. An area at Hammer Hill was gazetted as an urning ground, and preliminary survey work was carried out with a view to making this area available in 1939, by which time it is expected Aplichau will be unable to accommodate any additional urns. Very few burials took place at Ho Man Tin or Cheung Sha Wan, the main volume going to No. 7 Cemetery (Customs Pass). Chai Wan Cemetery is rapidly approaching saturation point, and it was found necessary to gazette a new area (Chai Wan Extension) which is in course of formation. Usual maintenance and minor works were executed in Kai Lung Wan and Mount Caroline Cemeteries.

Chapter XIII.

JUSTICE AND POLICE.

I.—THE COURTS OF HONG KONG.

The Supreme Court of Hong Kong consists of a Chief Justice and one or more other judges. At present there is one Puisne Judge and one other Judge for the purpose of Appeals.

2. The jurisdiction of the Court is regulated by a number of Ordinances but generally it may be said that the Court exercises a Summary Jurisdiction in all actions where the claims do not exceed $1,000 and an Original Jurisdiction in all actions where the claims exceed that amount.

3. In addition to the above the Court exercises Admiralty, Probate, Divorce, Bankruptcy, Lunacy, Criminal and Appellate Jurisdiction.

4. The following is a brief summary of litigation and matters dealt with during the year 1937:—

1,582 actions were instituted in the Summary Jurisdiction and the amounts for which judgments were given totalled $212,915.00.

172 actions were instituted in the Original Jurisdiction and the amounts for which judgments were given totalled $328,632.87.

Two actions were instituted in the Admiralty Jurisdiction.

403 grants were made, or grants of other courts sealed, in the Probate Jurisdiction.

Eight Petitions for Divorce were filed during 1937 and Decree absolute pronounced in two cases.

291 persons were indicted in the Criminal Jurisdiction of whom 229 were convicted.

38 appeals were lodged in the Appellate Jurisdiction 34 of which were disposed of during the year.

Four Criminal appeals were lodged and disposed of during the year.

5. The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

6. The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, two for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates.

7. The following figures show the amount of work done by the lower courts in 1937:—

Civil:—		
District Officer North, Land Court	91	cases.
Small Debts Court	87	,,
District Officer, South, Land Court	209	cases.
Small Debts Court	41	,,
Criminal:—		
Hong Kong Magistracy, two courts	38,091	cases.
Kowloon Magistracy, two courts	30,220	,,
District Officer, North, one court	1,881	,,
District Officer, South, one court	508	,,

II.—THE POLICE.

8. The Police Force of the Colony is under the control of the Commissioner of Police who is assisted by one Deputy Commissioner and ten Superintendents. The force consists of four Contingents, European, Indian, and two Chinese, viz., Cantonese and Weihaiwei. The strength of the different Contingents is as follows:—

Europeans	269
Indians	803
Chinese (Cantonese)	733
Chinese (Weihaiwei)	289

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of thirty-nine Russians and twenty-seven Indian Guards including three Sergeants together with four European Sergeants and one hundred and twenty-eight Weihaiwei Chinese Constables, who are included in Police Strength. The Anti-Piracy Guards are employed and paid for by the Shipping Companies for service in the China Seas.

9. Further, the department supervises 580 Indian and Chinese Watchmen who are engaged by the Police Department and paid by private individuals for protection of private property. In addition there are 424 Indian and 7 Japanese Private Watchmen Registered at the Guards Offices.

10. The waters of the Colony are policed by a fleet of ten steam launches and five motor boats which employ a staff of two hundred and fifty-five Chinese under European officers.

11. There were 12,434 serious cases of crime in 1937, as against 9,038 in 1936, an increase of 3,396 or 37%. There was an increase of 124 cases in burglary, 86 in house and godown breaking, 1 in intimidation and extortion, 3 in kidnapping, 2,925 in larceny, 174 in larceny in dwelling, 62 in larceny on ships and wharves, 6 in manslaughter, 2 in murder attempted, 48 in obtaining by false pretence, 108 in receiving, 41 in robbery and 27 in other serious offences. There was a decrease of 12 cases in arms, 30 in serious assault, 4 in assault with intent to rob, 48 in coinage offences, 106 in deportation, 8 in embezzlement, 2 in murder and 1 under the Protection of Women & Girls Ordinance.

There were 43,288 minor cases in 1937 as against 37,549 in 1936, an increase of 5,739 or 15%.

III.—PRISONS.

12. There were four prisons during 1937, but only two prisons are now in existence in the Colony. Hong Kong Prison at Stanley is the general prison for males, opened in January 1937. This prison is built on the separate system. It contains

cell accommodation for 1,598. Lai Chi Kok Branch Prison for males was closed down on 28.1.37. Victoria Gaol was closed down on 26.9.37 and all prisoners were transferred to Hong Kong Prison at Stanley. The transfer of all male prisoners was completed on 26.9.37. The other prison is the female prison situated at Lai Chi Kok.

13. The total number of persons committed to prison in the year 1937 was 17,088 as compared with 16,106 in 1936. The daily average number of prisoners in the prisons in 1937 was 2,493. The highest previous average was 1,917 in 1936. Over 85% of prisoners admitted are persons born outside the Colony.

14. The health of the prisoners generally was well maintained in the prisons.

15. The discipline in the prisons was good.

16. Prisoners are employed at printing, bookbinding, shoemaking, tinsmithing, matmaking, tailoring, carpentering, weaving, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of the Government printing and bookbinding is done in Hong Kong Prison.

IV.—REMAND HOMES.

17. During the year 221 boys underwent sentences of detention for various crimes at the Remand Home for Juveniles (Boys), not under Prison administration and 69 girls underwent detention at the Remand Home for girls. The boys are given instruction in elementary reading and writing, as well as in rattan work, which teaches them a trade. The girls are given employment in house-work, laundry, and making and mending clothes. There are recreation facilities at both Homes.

There are also four Probation Officers, two males and two females.

Lady visitors attend the Female Prison twice weekly to instruct long sentence prisoners in needle work.

18. Visiting Justices inspect and report on the prisons every fortnight.

Chapter XIV.

LEGISLATION.

1. Twenty-eight Ordinances were passed during the year 1937. These and also the Regulations, Rules, By-Laws and other subordinate legislation enacted during 1937 are published

in a separate volume by the Government Printers. The twenty-eight Ordinances comprised two appropriation, three replacement, one incorporation, one consolidation, seventeen amendment and four which were new to the Colony.

2. The Appropriation Ordinance (No. 23) applied a sum not exceeding $26,338,340 to the public service for the year 1937 and Ordinance No. 10 appropriated a supplementary sum of $782,310.80 to defray the charges of the year 1936.

3. Of the three replacement Ordinances—

(1) The Hong Kong Government Service (Levy on Salaries) Ordinance (No. 2), which replaced the corresponding 1936 Ordinance, reduced the percentage deductions on salaries for the first half of 1937 and gave power to the Legislature by resolution to continue, reduce or abandon the percentage deductions during the second half of the year, and in addition made provision for the exchange conversion rate.

(2) The Pharmacy and Poisons Ordinance, 1937 (No. 8), which replaced the Pharmacy and Poisons Ordinance, 1916 (No. 9), followed closely the provisions of the Pharmacy and Poisons Act, 1933.

(3) The Factories and Workshops Ordinance, 1937 (No. 18) replaced the corresponding 1932 Ordinance. This Ordinance transferred the office of Protector of Labour from the Secretary for Chinese Affairs to the Chairman of the Urban Council and enacted certain new provisions to meet modern requirements.

4. Ordinance No. 28 provided for the incorporation of the Procurator in Hong Kong of the Irish Province of the Order of Franciscans Minor. The Ordinance followed the usual lines in such cases.

5. The Forestry Ordinance, 1937 consolidated and to some extent extended the existing Ordinances relating to forests, trees and plants.

6. The seventeen amending Ordinances covered a wide range of subjects, namely—Telecommunication (No. 1), Pensions (No. 3), Watchmen (No. 4), Deportation (British Subjects) (No. 5), Advertisements Regulation (No. 6), Public Health (Sanitation) (No. 7), Currency (No. 9), Printers and Publishers (No. 12), Stonecutters Island (No. 13), Motor Spirit (No. 14), Ordinance and Regulations of Hong Kong (1937 edition) (No. 15), Life Assurance Companies (No. 16), Full Court (No. 17), Naval Establishment Police (No. 19), Magistrate's (No. 20), Merchant Shipping (No. 22), Interpretation (No. 26).

7. The Ordinances new to the Colony were:—

(1) Stores Pier (North Point) and Additional Pipe Lines Ordinance (No. 21).

(2) Sterling Salaries Conversion Ordinance (No. 24).

(3) Public Officers (Change of Style) (No. 25).

(4) Law Revision Ordinance (No. 27).

Ordinance No. 21 provisionally authorised the Director of Public Works to construct a pier projecting into the Harbour and to lay two additional cross-Harbour pipe lines; No. 24, while repealing the Hong Kong Government Service (Levy on Salaries) Ordinance, 1937 (No. 2), made provision for converting the sterling salaries of Government officers for the year 1938 at a rate similar to the rate applicable in 1937; No. 25 changed the style of Inspector General of Police and Deputy Inspector General of Police and Police Probationer to Commissioner of Police, Deputy Commissioner of Police and Police Cadet respectively and authorised the Legislative Council by resolution to make additional alterations in the style of public officers at any time; Ordinance No. 27 gave effect to certain amendments found necessary in the preparation of the revised Ordinances (1937 edition).

8. The subordinate legislation covered a wide range of subjects including.—

Air Navigation, Adulterated Food and Drugs, Asiatic Emigration Boarding House, Betting Duty, Births and Deaths Registration, Buildings, Cremation, Crown Rents (Apportionment), Dangerous Drugs, Defences (Firing Areas), Dentistry, Emergency Regulations (Cholera), Ferries, Forestry, Hawkers, Hong Kong (Coinage), Lighting Control, Liquors, Marriage, Merchant Shipping, Midwives, Naval Volunteer, New Territories Public Health (Sanitation), Nursing and Maternity Homes Registration, Public Health (Animals and Birds), Pensions, Pharmacy and Poisons, Places of Public Entertainment, Pleasure Grounds and Bathing Places, Post Office, Prisons, Public Health (Food), Public Health (Sanitation), Quarantine and Prevention of Disease, Rating, Registration of Imports and Exports, Rope Company's Tramway, Telecommunication, Tramways, Vaccination, Vehicles and Traffic, Volunteer and Watchmen.

Chapter XV.

PUBLIC FINANCE & TAXATION.

The following tables show the Revenue and Expenditure for the five years 1933 to 1937 inclusive.

	Revenue.	*Expenditure.*	*Surplus.*	*Deficit.*
1933	$32,099,278	$31,122,715	$ 976,563	—
1934	29,574,286	31,149,156	—	$1,574,870
1935	28,430,550	28,291,636	138,914	—
1936	30,042,984	29,513,520	529,464	—
1937	33,196,368	32,111,222	1,085,146	—

2. The revenue for the year 1937 amounted to $33,196,368, being $4,436,118 more than estimated, and $3,153,384 more than the revenue obtained in 1936.

3. All subheads under Duties exceeded the estimate by $1,210,411. Of this sum $682,203 was on account of Tobacco, representing the increased activities of local manufacturers on the closing down of North China factories through abnormal conditions in China. The temporary increase in population due to the influx of refugees from China accounted for the increase of $133,404 under Locally Manufactured Liquor, and certain smaller increases under Import Duty on Liquor and Spirits. Less tonnage accounted for a decrease of $11,224 under Light Dues. Receipts from Opium Monopoly exceeded the estimate by $64,770 accounted for by the increased population. Assessed Taxes were greater than the estimate by $314,066. This was due to the greater demand for accommodation during the latter half of the year by the abnormal influx of refugees, and for the same reason Water Excess Supply and Meter Rents were higher by $123,856. Two large estates were the main causes of an increase in Estate Duty of $183,251. Due to an improvement in general business conditions Stamp Duties brought in $130,186 more than anticipated. Post Office receipts also showed an increase of $1,204,596, principally due to an expansion of the Air Mail Services and large sales of the Coronation Issue of postage stamps, while increased postage rates also contributed.

Receipts from the Kowloon Canton Railway were $197,790 greater than estimated. Of this figure the linking up of the Canton-Kowloon and Canton-Hankow Railways accounts for some $120,000, and some $40,000 more in rents was derived from the storage of goods originally consigned to Shanghai but landed in Hong Kong. The closing down of the casino at Shum Chun, however, adversely affected the passenger traffic receipts from that source to the extent of over $70,000.

4. The expenditure for the year 1937 amounted to $32,111,222 being $147,938 less than estimated and $2,597,702 more than the expenditure in 1936.

5. Ordinary expenditure amounted to $30,600,924, Public Works Extraordinary to $1,510,298. Personal Emoluments amounted to $12,895,932, being $822,984 less than the estimated figure of $13,718,916 due to the operation of the Levy on Salaries Ordinance No. 17 of 1936 which was repealed on 1st July, 1937.

Other Charges amounted to $4,575,527, being $69,539 less than estimated.

6. Debt.—The Public Debt of the Colony consists of two issues: The 4% Conversion Loan raised in 1933 amounting to $4,838,000, the Sinking Fund of which, established in 1934, amounted on 31st December, 1937, to £54,325.6.11. Secondly,

the 3½% Dollar Loan raised in July, 1934. Bonds to the amount of $14,000,000 were issued at 99% producing $13,860,000. This Loan is redeemable by drawings at par in each of the twenty-five years commencing in 1935 at the annual rate of one twenty-fifth of such issue. During each of the years 1935, 1936 and 1937 $560,000 was so redeemed thus reducing the amount outstanding to $12,320,000. Ordinance No. 11 of 1934 governs this issue and authorizes the Governor to borrow up to a total of $25,000,000. The total public debt of the Colony on 31st December, 1937, amounted to $17,158,000.

7. The Assets and Liabilities of the Colony on the 31st December, 1937, are shown in the following statement:—

LIABILITIES.	$ ¢	ASSETS.	$ ¢
Deposits:—		Advances:—	
		Miscellaneous	220,148.51
Contractors and Officers Deposits..	447,749.26	Pending Re-imbursements from 3½% dollar loan. .	10,263,484.30
Insurance Companies	1,563,341.62	Pending Re-imbursements from proposed new loan	56,783.30
		Building Loans	337,922.63
Miscellaneous Deposits	1,339,709.71	Imprest Account ..	9,420.17
		Subsidiary Coin ...	120,625.00
House Service Account	31,007.47	Trade Loan Outstanding	295,493.00
		Suspense Account .	84,285.42
		Unallocated Stores. (P.W.D.)	486,938.40
Government House & City Development Fund	839,704.12	Unallocated Stores. (Railway)	121,552.45
Exchange Adjustment	23,934.73	**Note Issue Account :—** **Current Account. $ 513,870.4**	
Trade Loan Reserve.	338,689.27	**Fixed Deposit.. 3,000,000.0**	3,513,870.42
Praya East Reclamation	108,280.35	**Nickel Coinage Account :—**	
Coal Account	10,404.98	**Current Account. $ 333 517.7** **Sterling Investment**	
Crown Agents-Overdraft	7,026.69	**Account. 1,290,336.8**	1,678,854.57
Note Security Fund..	3,513,870.42	Cash Balance:— Accountant-General	1,547,810.91
Nickel Coinage Security Fund	1,678,854.57	*Joint Colonial Fund	2,436,302.53
Total Liabilities..	9,902,573.19	**Fixed Deposits :—** **General...$ 1,050,000.0** **Insurance Companies 1,563.341.6**	
Excess of Assets over Liabilities	14,002,278.11	**Miscellaneous 118,018.07**	2,731,359.69
Total.........$	23,904,851.30	Total........ $	23,904,851.30

*** Joint Colonial Fund £151,000 0s. 0d.**

8. *Main Heads of Taxation.*—The largest item of revenue is derived from the assessment tax, the sum of $5,914,066 being collected in 1937. This represents 17.82% of the total revenue or 18.10% of the revenue exclusive of land sales. The rates vary from 15% to 17% on the annual value of property and are for police, lighting and water services, etc. Port and Harbour Dues comprising Light Dues and Buoy Dues brought in the sum of $625,684.

9. Duties on intoxicating liquors realized $2,291,167, tobacco $4,432,203, postage stamps and message fees $3.254,396. A considerable sum is also derived from the opium monopoly, land revenue, stamp duties including estate duties and other fees. Land Sales during the year realized $528,464. The receipts of the Kowloon-Canton Railway which was completed in 1910 amounted to $1,297,940.

10. *Customs Tariff.*—There is an import tariff on all liquor, tobacco and light oils imported into the Colony for sale or use therein. There is no export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by the Government is prohibited. The importation of Dangerous Drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

11. The duties on imported liquor range from $0.80 per gallon on beer to $1.50 on Chinese liquor and to $13 on sparkling European wines. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

12. The duties on tobacco range from $0.90 per lb. on the lowest taxed unmanufactured tobacco to $2.60 per lb. on cigars. A reduction in duty is allowed to tobacco of Empire origin and/or of Empire manufacture.

13. A duty of 30 cents per gallon is payable on all light oils imported into the Colony.

14. *Excise and Stamp Duties.*—A reduction in duty is allowed on beer and Chinese type spirits manufactured in the Colony.

15. Stamp Duties are imposed on various instruments and where a consideration is involved are mainly ad valorem. The following are examples of the duties charged:—Affidavits, Statutory Declarations, etc., $3; Bills of Exchange (inward) and Cheques, 10 cents; Bills of Lading, 15 cents when freight is under $5, 40 cents when freight is $5 or over; Bond to secure

the payment or repayment of money, 20 cents for every $100 or part thereof; Conveyance on sale, $1 for every $100 or part thereof; Mortgages, principal security, 20 cents for every $100 or part thereof; Life Insurance Policy, 25 cents for every $1,000 insured; Receipts, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

16. No Hut Tax or Poll Tax is imposed in the Colony.

Appendix.

LIST OF PUBLICATIONS OF GENERAL INTEREST RELATING TO HONG KONG.

TITLE.	PRICE.	AGENTS FOR SALE.
	$	
Sessional Papers (Annual)	2.00	Colonial Secretariat and Government Printers.
Blue Book (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents for the Colonies, London.
Ordinances-Ball's Revised Edition (In 6 Volumes) 1844-1923.	90.00	Do.
Regulations of Hong Kong 1844-1925	30.00	Colonial Secretariat.
Ordinances and Regulations (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents.
Administration Reports (Annual)	5.00	Colonial Secretariat.
Estimates (Annual)	3.00	Government Printers.
Government Gazettes (Weekly).	.50	Government Printers and Crown Agents.
Meteorological Bulletin (Monthly)	10.00 per annum	Government Printers.
Hong Kong Trade and Shipping Returns (Monthly)	2.00	Government Printers and Crown Agents.
Do. (Annual)	2.00	Do.
Hansards (Annual)	5.00	South China Morning Post, Hong Kong.
Historical & Statistical Abstract of the Colony of Hong Kong 1841-1930	4.00	Colonial Secretariat.
The Hong Kong Naturalist (Quarterly)	2.00	Hong Kong University.

Appendix,—*Continued.*

TITLE.	PRICE.	AGENTS FOR SALE.
	$	
Hong Kong: A Guide Book	1.00	Kelly & Walsh, Ltd. and Brewers' Bookshop, Hong Kong.
Hong Kong: Around and About, by S. H. Peplow & M. Barker.	5.00	Do.
Hong Kong—Birth, Adolescence & Coming of Age	18/-	Do.
Echoes of Hong Kong & Beyond by L. Forster	1.50	Do.
Hong Kong—the Riviera of the Orient	1.00	Do.
Travellers Map of Hong Kong...	.10	Do.
Picturesque Hong Kong	1.25	Brewers' Bookshop.
The Tourist Guide 1936	1.25	Do.
The Dollar Directory 1938	1.00	Do.
A Hong Kong Sketch Book	2.50	Kelly & Walsh, Ltd.
Hilly Hong Kong	1.00	Do.
Glimpses of Hong Kong	1.00	Do.

Sections on Hong Kong will be found in the annual "China Year Book" published by the North China Daily News and Herald Ltd., Shanghai (London Agents Simpkin Marshall Ltd.) price $20.00, the annual "Directory and Chronicle of China, Japan etc." published by the Hong Kong Daily Press at Hong Kong, Price $12.00 and obtainable at their London office at 53, Fleet St., for £2, and "Comacrib China & Hong Kong Manual", price $35.00 (Brewers' Bookshop).

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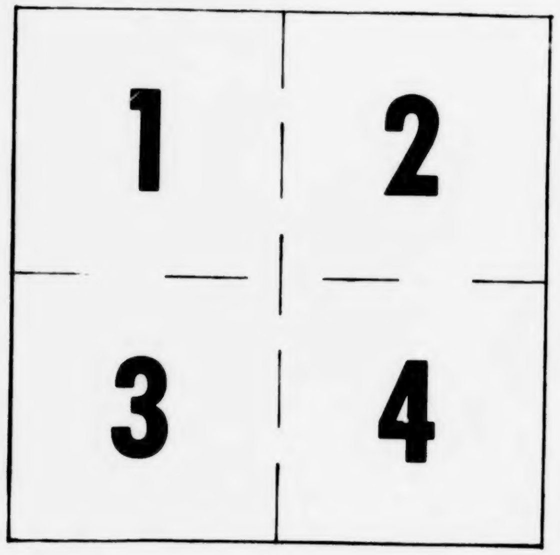
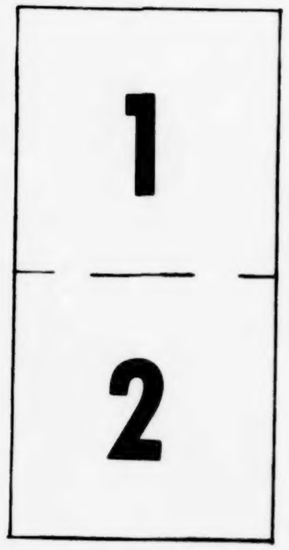
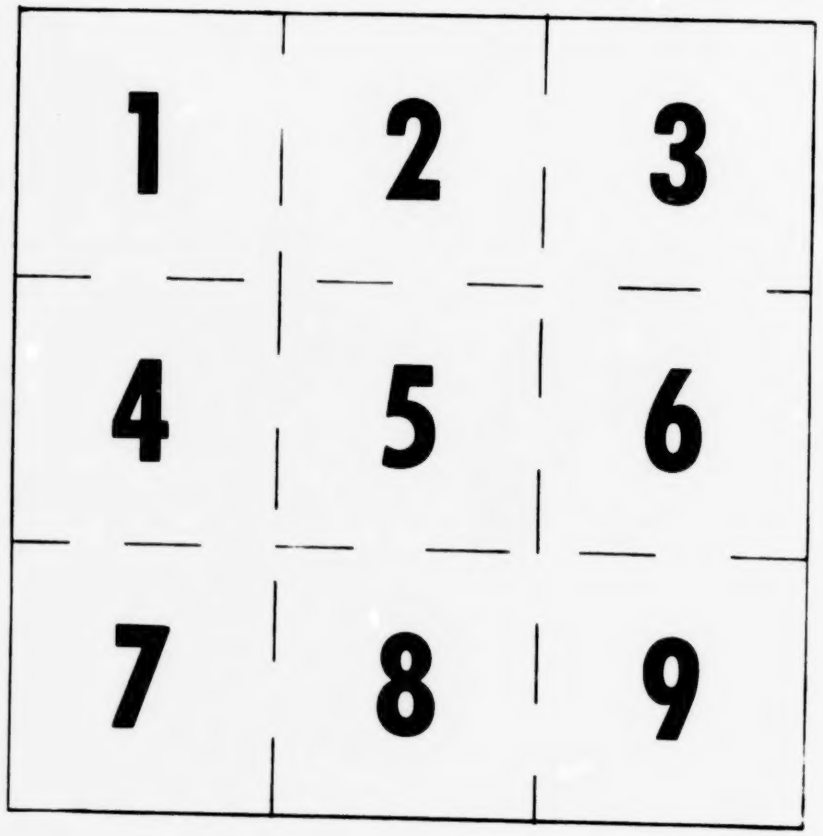
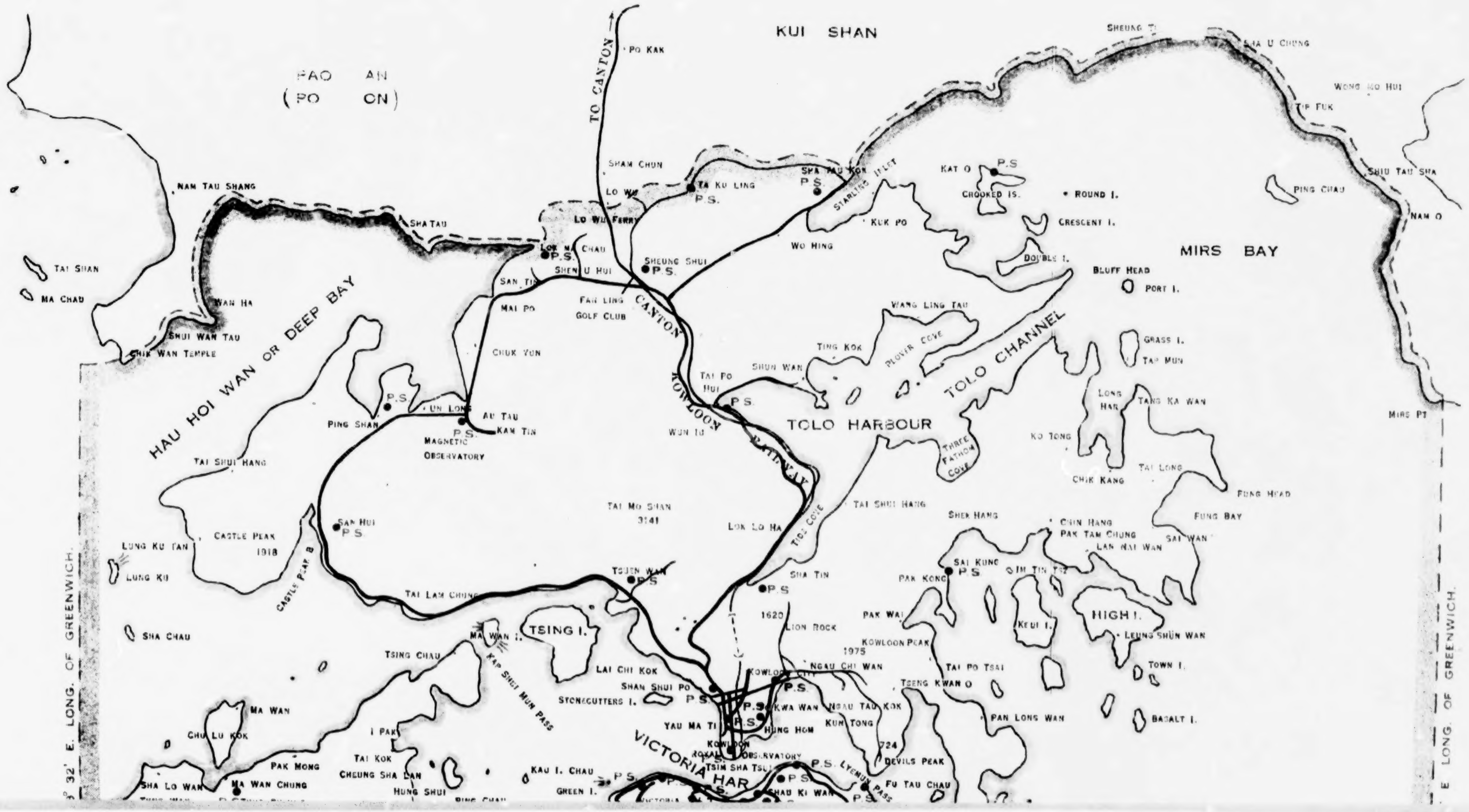






MAP OF HONG KONG AND NEW TERRITORIES.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SHA TAU
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MA CHAU
WAN HA
SHUI WAN TAU
CHIK WAN TEMPLE
HAU HOI WAN OR DEEP BAY
LOK MA CHAU
SHEN U HUI
SAN TIN
SHEUNG SHUI
FAN LING
GOLF CLUB
MAI PO
CHUK YUN
CANTON KOWLOON RAILWAY
WANG LING TAU
TING KOK
PLOVER COVE
TOLO CHANNEL
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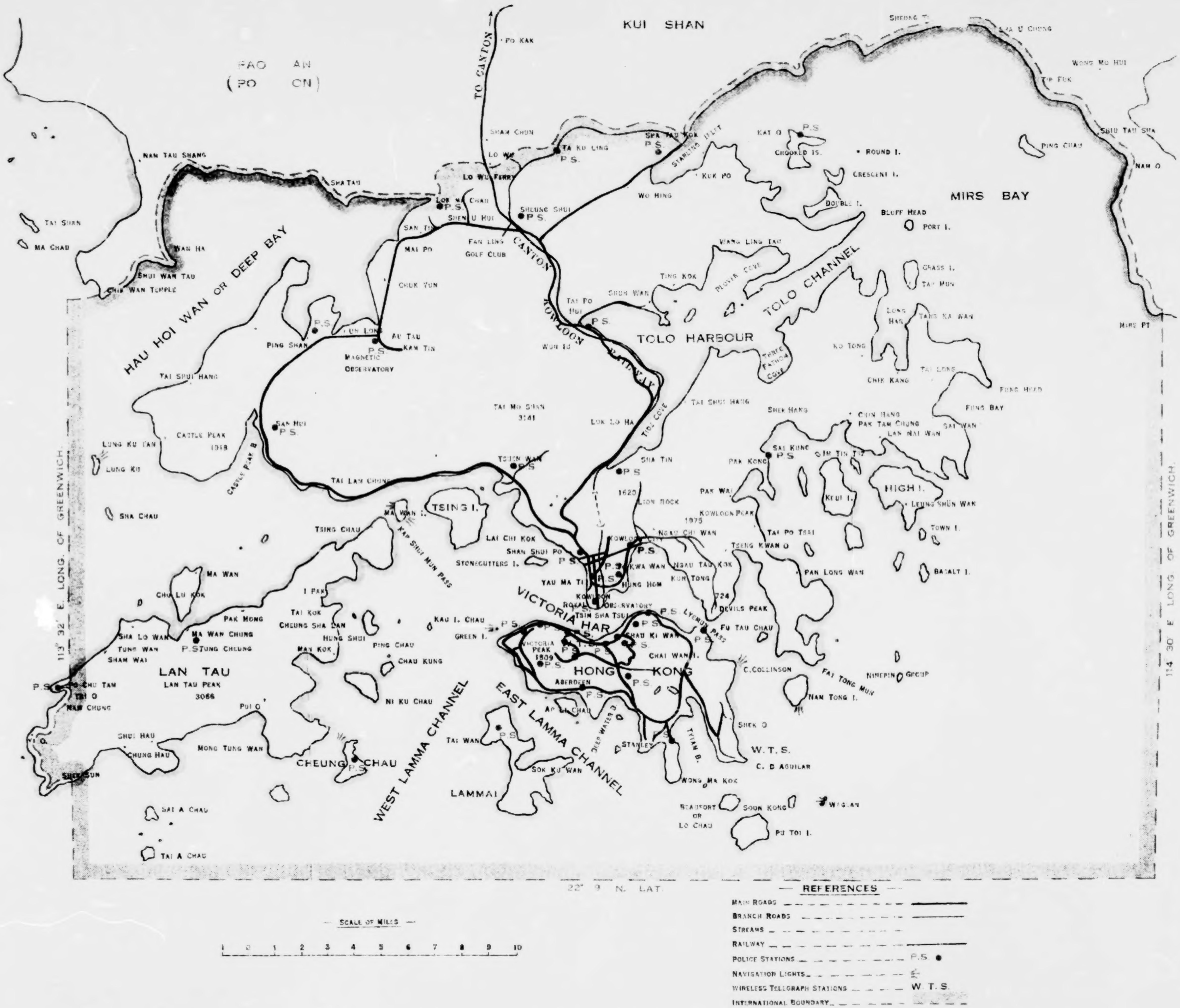
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REFERENCES
MAIN ROADS
BRANCH ROADS
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CHAPTER I.

Geography, Climate and History.

CHAPTER I.

Geography, Climate and History.

Geography.

The Colony has a total area of 390 square miles which consists of the following:—

(1) The island of Hong Kong, on which lies the capital city of Victoria, and Stonecutters' Island. The Kowloon peninsula, which is almost completely urbanised. These two areas are British-owned.

(2) The New Territories. These include a portion of the mainland of China lying south of the Shum Chun River, approximately seventeen miles north of the northern boundary of the Kowloon peninsula and, secondly, certain outlying islands and the seabeds of Deep Bay and Mirs Bay. The New Territories are held from China on a ninety-nine years lease dating from the 1st of July, 1898.

The Colony is situated off the south-eastern coast of China between latitude 22° 9′ and 22° 17′ N., and longitude 113° 52′ and 114° 30′ E. at the eastern foot of the delta of the Pearl River. Forty miles across this delta lies the Portuguese colony of Macao, and at the apex of the triangle thus formed is the Chinese city of Canton, some ninety miles north-west of Hong Kong.

The island of Hong Kong has an area of thirty-two square miles and is about eleven miles long and two to five miles in breadth. It is dominated by a group of treeless hills rising steeply on the west to a maximum height of 1,823 feet above sea-level. The more gradual slope on the east affords some scope for cultivation. A parallel range of similar height rises on the mainland opposite about a mile from the shore. The New

Territories are for the most part mountainous with considerable flat rather swampy areas to the north.

Climate.

The climate of Hong Kong is sub-tropical, and is governed to a large extent by the monsoons, the winter being normally cool and dry and the summer hot and humid. The north-east monsoon sets in during October and persists until April. The early winter is the most pleasant time of the year, the weather being generally sunny and the atmosphere often exceedingly dry. Later in the winter the sky becomes more cloudy, although raintall remains very slight; in March and April long spells of dull overcast weather may occur. Warm southerly winds may temporarily displace the cool north east monsoon at this period; under these conditions fog and low cloud are prevalent.

From May until August the prevailing wind is the south-west monsoon, a warm damp wind blowing from equatorial regions. Winds are more variable, however, in summer than in winter, for the south-west monsoon is frequently interrupted. The weather is persistently hot and humid, and is often cloudy and showery with frequent thunderstorms. The summer is the rainy season, three-quarters of the annual rainfall falling between the months of May and September.

Hong Kong is liable to be affected by typhoons from June to October, although they are occasionally experienced before and after this period. A typhoon whose centre passes over or near the Colony is usually accompanied by winds of hurricane force, resulting in widespread damage and loss of life. Sixteen such disasters have occurred in the last fifty-five years. Spells of bad weather with copious rain and strong winds are, however, experienced several times in each summer, owing to the passage of typhoons at varying distances from the Colony.

The mean monthly temperature ranges from 59°F in February to 82°F in July, the average for the year being 72°F.

The temperature very rarely rises above 95°F or falls below 40°F. In spring and summer the relative humidity of the atmosphere is persistently high, at times exceeding 95%, while in early winter it occasionally falls as low as 20%. The mean monthly duration of sunshine ranges from 94 hours in March to 217 hours in October. The mean annual rainfall is 84.26 inches.

The mean temperature for 1938 was 72.8°F, which is 0.9°F above normal. April and June were both exceptionally sunny, the total duration of sunshine being the highest recorded in each of these months. The year was the driest since 1895: the total rainfall amounting to only 55.35 inches, against a normal of 84.26 inches. No typhoon seriously affected the Colony during the year, and no gales occurred, although an unseasonably early typhoon on May 3rd-4th produced a gust of 63 m.p.h., which is the highest wind velocity ever recorded in May.

History.

Prior to 1841 the island, now known as Hong Kong, was inhabited by a few fishermen, stone-cutters and farmers, and provided a well-known hiding place for smugglers and pirates. In that year it was occupied by the British forces partly as a reprisal for the treatment of British merchants in Canton, and partly to provide a secure base from which trading might be continued with the merchants of South China.

Foreign intercourse with China dates from the sixteenth century when expeditions from the maritime states of Europe—Portugal, Spain, Holland and England—penetrated into Far Eastern waters in the hope of establishing a direct trade by sea with the Moluccas or Spice Islands. At the end of the century Queen Elizabeth herself addressed a letter to the Emperor of China. Though this letter was probably never delivered it marks the beginning of official support for a whole series of adventurous attempts to share in the trade of the Eastern countries. At the beginning of the next century a monopoly of the East Indian trade was created in favour of "The Governor and merchants of London trading in the East Indies." An early trading-station at Bantam in Java soon led to the extension of the sphere of action to Japan and China, and it was off the coast of South China that the East India Company had to face a double opposition to its aims: the hostility of the Chinese authorities, and an intense rivalry with the Dutch merchants.

The Portuguese had already founded the settlement of Macao from Malacca. It was probably the existence of this European foothold that concentrated foreign attention on Canton. In 1681 the East India Company secured a house in Macao and a little later an approach was made to Canton itself. By 1715 a regular seasonal trade had been commenced with a shore-staff residing during the season in 'factories' in Canton, and, during the summer months, in the Company's premises in Macao. The French, Dutch and Americans were not long in following the Company's lead and, by the end of the eighteenth century, Englishmen trading on their own account were beginning to share the benefits of this precarious intercourse. It was into the hands of these newly arrived adventurers that the opium trade fell when, in 1800, the Company declined to carry opium in its ships owing to an Imperial edict forbidding the importation of opium into China. For some thirty years this state of affairs continued, during which the Chinese authorities, infuriated by the persistence of the illicit trade which they were unable to check, put increasingly arbitrary and irregular restrictions on the Company's legitimate activities.

Meanwhile two abortive attempts had been made to establish official relations with China—by Lord Macartney in 1793 and by Lord Amherst in 1816. The separate trends which British intercourse with China had hitherto taken,—the activity of the East India Company, whose monopoly expired in 1831, and the unsuccessful official missions,—were united in 1834 by the arrival of Lord Napier in Canton as His Majesty's Chief Superintendent of Trade.

Lord Napier's efforts at improving relations with the Chinese authorities for the benefit of British trade resulted in conspicuous failure and he died in Macao in October, 1834. Captain Elliot R.N. succeeded him as Chief Superintendent and for five years negotiations were intermittently continued while the position of the British merchants became more unbearable. The ultimate result of this protracted period of undeclared hostilities was the withdrawal of British merchant ships to Hong Kong Bay, a blockade of the Canton River in 1840 and the peaceful occupation of Hong Kong Island in January, 1841.

The cession of the island to Great Britain was confirmed by the Treaty of Nanking in August, 1842. The history of the Colony thereafter is one of uninterrupted peaceful development. The Convention of Peking of 1860 added the Kowloon peninsula and Stonecutters' Island to the Colony, and under a further Convention of Peking signed in 1898, the area known as the New Territories, including Mirs Bay and Deep Bay, was leased to Great Britain for a period of ninety-nine years.

Nearly a century has passed since the bare unproductive hills were first occupied and the gangs of law-breakers evicted from their shelter. Afforestation, extensive reclamation of the foreshore, cultivation of the lower slopes, and a network of motor roads cut into the hills have combined with the steady growth of the city itself to present to the ocean-going ships which lie in Hong Kong waters to-day a very different picture from that which met the first merchantmen who watered off the south-west coast of the island. Sanitation, anti-malarial work, and public health administration have removed all evidence of the 'plague spot' which the new Colony was thought to be. The administration of the Colony usually has been serene and untroubled.

One of the world's great harbours has been developed out of the enclosed waters between Lyemoon and Green Island. The freedom of the port has been maintained and no restrictions are placed on the entrance or egress of the Chinese population. This policy has preserved for the Colony the rôle which it was intended to fulfil in 1841: that of an entrepôt for the trade and labour of the southern provinces. It has had the effect too of establishing Hong Kong as an impartial refuge, both for persons and capital, during the internecine struggles which followed the inauguration of the Chinese Republic in 1911, and through the more recent misfortunes of the Chinese people. A railway which passes through the centre of China and a road from Canton debouch upon the line of wharves where the world's shipping collects. Five airlines, from China, Europe and America, terminate in the airport. Ship-building yards on the eastern side of the harbour have laid down keels for ships of 11,000 tons, and the docks can accommodate the largest of the Pacific liners. Small industries have sprung up and flourished in the east of the island and in Kowloon. Cement, rope, glass, cigarettes, cigars, matches, paper, lard, electric torches and batteries, rubber-shoes and piece-goods are now exported widely. Market-produce, cereals, poultry and live-stock are brought in daily from the New Territories, and from the surrounding waters fleets of junks net every variety of fish,—a supply which more than suffices for the Colony's needs. Mining is, as yet, in its infancy. Considerable deposits of wolframite, manganese, granite and kaolin are to be found in the hills of the New Territories, and prospecting and mining for these are encouraged.

Hong Kong has developed naturally in strategic and military importance as the Empire extended towards the East. To-day the Colony is the headquarters of the Commander-in-Chief, China Station, and of the General Officer Commanding British Troops in China. The Royal Air Force has a station at Kai Tak, sharing a landing ground with the civil authorities. The constantly shifting personnel of the armed forces, together with the flow of tourist traffic and the itinerant habits of the boat-people and poorer classes generally, make the permanent population of the Colony relatively few. To these few however, and to her visitors, Hong Kong now offers amenities which cannot be equalled in the tropics. The present low fixed rate of the dollar and the cheapness of labour bring living expenses to an encouragingly economic level. There is no income tax and no general customs tariff. For six months of the year the weather is cool and dry with long periods of sunshine daily. Every variety of sport is to be found: safe bathing in ideal conditions, two first-class golf-courses, a drag hunt, polo, shooting, tennis, football, cricket, pony racing, sailing and civilian flying. The scenery, especially along the deeply indented shores of the Colony, is superb.

CHAPTER II.

Government.

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Government.

The Government of Hong Kong is administered under Letters Patent of the 14th of February, 1917, and Royal Instructions of the same and subsequent dates, by a Governor aided by an Executive Council, composed of six official and three unofficial members, and by a Legislative Council composed of nine official and eight unofficial members. Prior to 1928 the numbers of the Legislative Council members were seven and six respectively. The six official members of the Executive Council are the Senior Military Officer, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Financial Secretary, all of whom are members ex-officio, and the Director of Public Works, appointed by the Governor. The three unofficial members, one of whom is Chinese, are appointed by the Governor. The six official members of the Executive Council are ex-officio members of the Legislative Council; the other three official members of this Council, who are appointed by the Governor, are at the present time the Commissioner of Police, the Harbour Master and the Director of Medical Services. Of the unofficial members of the Legislative Council two are appointed by the Governor on the nomination respectively of the Justices of the Peace and of the Chamber of Commerce; the Governor also appoints the remaining members three of whom are Chinese. Appointment in the case of unofficial members is for five years for the Executive and four years for the Legislative Council.

The English Common Law forms the basis of the legal system, modified by Hong Kong Ordinances of which an edition revised to 1923 has been published. A further revised edition, of which the first volume has already been printed, was commenced during 1937. The law as to civil procedure was codified by Ordinance No. 3 of 1901. The Colonial Courts of Admiralty Act 1890 regulates the jurisdiction of the Supreme Court in Admiralty cases.

The daily administration is carried out by twenty-two Government departments, all officers of which are members of the Civil Service. The central branch of the administration is the Colonial Secretariat. The Secretariat for Chinese Affairs is concerned with questions affecting the Chinese community. Matters of finance and the collection of rates and internal revenue are dealt with by the Treasury Departments. The Imports and Exports Department collects the import and excise duties and controls the opium monopoly. There are seven legal sub-departments, including the Supreme Court and the Magistracies. The Medical Department and the Sanitary Department deal with public health, and the Public Works Department is concerned with roads, buildings, waterworks, piers and analogous matters. The Education Department controls the Government's English and Vernacular Schools and supervises education in the Colony generally. Other departments are the Audit Department, the Post Office, the Harbour Department, the Police Department, the Prisons Department, and the two District Offices.

In 1936 the Sanitary Board was replaced by an Urban Council composed of five official and eight unofficial members. This council has not, however, the full municipal function which is usually understood by its title. All its officers are salaried civil servants and the council itself is subordinate in many respects to the executive authority of the Government. The council has power to make by-laws, which are submitted to the Governor and subject to the approval of the Legislative Council, under the Public Health (Food) Ordinance, the Public Health (Sanitation) Ordinance, the Public Health (Animals and Birds) Ordinance, in matters appertaining to public health, subject always to an over-riding power in the Legislative Council. The

Urban District over which the Council presides consists of Hong Kong Island, Kowloon and New Kowloon.

Local administration in the New Territories and in the several small islands within the territorial waters is in the hands of two District Officers. In addition to their administrative work these officers are the Magistrates and Land Officers for their districts, and are empowered to hear small debts cases and to decide summarily certain cases relating to land. The District Officers are also Coroners for their districts and are assisted in many of their duties by the advice of Councils of Elders.

There are a number of advisory boards and standing committees such as the Board of Education, Harbour Advisory Committee, Labour Advisory Board, etc., composed of both official and unofficial members. They are frequently consulted and are of much assistance to the Government.

The reorganization of the financial administration was carried a stage further in 1938 by the Financial Secretary's assumption of a purely administrative function in the Secretariat. The Treasury remained under his control but was divided into three sub-departments: the Accountant-General's Office to deal with the Colony's finance generally, the Assessor's Office for the assessment and collection of rates, and the office of the Superintendent of Inland Revenue for the administration of the Estate Duty Ordinance, the Stamp Ordinance, and the Entertainment and Betting Tax Ordinances.

Later in the year the Accounts and Stores Office of the Public Works Department was made into a separate department supervised by the Financial Secretary and under the direct charge of a Controller of Stores.

An Air-Raid Precautions Officer was sent out from England early in 1938 to organize general precautionary measures on behalf of the Government. He is now in charge of a small department housed in the Colonial Secretariat.

The new post of Labour Officer was created on the 14th of November, 1938. During the remainder of the year the new Labour Officer was engaged in investigating general conditions in factories and the position regarding Trades Unions, on which subjects a report will be prepared in due course. Wages and cost of living, arbitration in trade disputes and the application of the Workman's Compensation Ordinance are other matters with which this officer will deal.

CHAPTER III.

Population and Births and Deaths.

CHAPTER III.

Population and Births and Deaths.

Hong Kong is a free port and this fact coupled with its geographical proximity to the mainland of South China makes effective control of emigration and immigration impossible. It is, therefore, very difficult to give accurate estimates of the population of the Colony. The 1938 mid-year population obtained by extrapolation from the last two census results is 1,028,619. The excess of immigrants arriving by railway and sea over emigrants during 1938 was more than 300,000, and when it is remembered that this figure takes no account of those entering the Colony by sampan, junk or across the land frontier, it is easy to realise that the normal population of Hong Kong has been increased by at least 500,000* during 1938. Most of these people have been accommodated in the urban districts of the Colony, but, for the space of two months subsequent to the Japanese invasion of South China, many thousands of refugees were crowded into the towns and villages of the New Territories. Though the influx of refugees has been continuous throughout the year there were three peak periods, the first occurring after the systematic air raids on Canton began in May, the second after the Japanese landed at Bias Bay in October and the third and greatest after the Japanese "mopping up" operations along the Hong Kong frontier at the end of November. The fall of Canton, while checking the stream of immigrants did not entirely stop it, for refugees were still able to reach Hong Kong by Shekki and Macao, and regulations formulated on a property basis proved ineffective in reducing the influx.

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* To this figure must be added the increase due to refugees in 1937 which is estimated to be in the neighbourhood of 100,000.

The figures given in the following tables do not include refugees now living in Hong Kong and the New Territories. The distribution of the population in various parts of the Colony is estimated as follows:—

	Hong Kong	Kowloon	New Territories	Maritime	Totals
Non-Chinese ...	9,871	11,361	492	1,372	23,096
Chinese ...	444,138	352,849	108,536	100,000	1,005,523
Totals	454,009	364,210	109,028	101,372	1,028,619

Registration of births and deaths is compulsory and the necessary data are obtained through twenty-nine registration offices. Unfortunately, registration of births is still imperfect owing to the Chinese custom of not registering children until they are in the second year of life. In 1938 registered births showed an increase from 32,303 (692 non-Chinese) in 1937 to 35,893. The crude uncorrected birth rate for 1938 was 34.9 per thousand of the mid-year population as compared with a crude rate of 32.1 for 1937. Chinese births registered during the year showed an increase from 31,611 in 1937 to 35,335. The crude uncorrected birth rates for this class being 35.1 (1938) and 32.1 (1937). Among the civilian population 38,818 deaths were registered in 1938, an increase of 4,183 over the 1937 figure. In addition to this, twenty-nine deaths were recorded in the Forces of the Crown during the year, an increase of eighteen over the 1937 figure. The crude uncorrected death rate for the civilian population is estimated at 37.7 per 1,000 living, the figure for 1937 being 34.4. These increases in the actual number of deaths and the rates reflect the general deterioration in the health of the community, a deterioration which has been largely brought about by overcrowding, lack of accommodation and insufficient food. Still-births numbered 1,075 in 1938 and

913 in 1937. Chinese deaths numbered 38,621 in 1938 giving a crude uncorrected death rate of 38.4. The corresponding figures for 1937 were 34,391 and 34.9.

11,620 Chinese infants under one year of age died in 1937, 12,001 in 1938; the infant mortality rates for the two years being respectively 376 and 343.

In 1938, 558 non-Chinese births were registered (270 male and 288 female). This represents a decrease of 134 on the 1937 figure. The crude birth rate is estimated at 24.2 per 1,000 living in 1938 as compared with 30.6 in 1937. There were 244 non-Chinese deaths (excluding 11 deaths in the Forces of the Crown) in 1937, giving a death rate of 11 per 1,000 living, whereas in 1938 the corresponding figures were 197 (excluding 29 deaths in the Crown Forces) giving a death rate of 8.5. The deterioration in the general health of the community, which is clearly demonstrated by these figures, has not been accompanied by a corresponding deterioration among the non-Chinese population in Hong Kong.

Twenty-three non-Chinese infants under one year of age died in 1938, as compared with thirty in 1937. This gives an infant mortality rate of forty-two for non-Chinese infants, as compared with a rate of forty-six for the year 1937. Comment on the respective infant mortality rates of the Chinese and non-Chinese communities is superfluous.

There was a considerable increase in the number of marriages in the year under review, both in licensed places of worship and at the Registry of Marriages. This can be accounted for principally by the influx of population, but also by the fact that the Christian marriage and its civil equivalent are gaining in popularity among the Chinese. It is of course impossible to record the number of non-Christian customary marriages.

The following table provides means for comparing statistics in 1938 with those in 1937:—

	1937		1938	
	Chinese	Others	Chinese	Others
By Special Licence in Church	2	1	—	4
By Special Licence at Registry	6	5	10	9
By Registrar's Certificate in Church	93	128	116	115
By Registrar's Certificate at Registry	134	50	209	79
In Articulo Mortis ...	1	1	1	1
	236	185	336	208

CHAPTER IV.

Public Health.

CHAPTER IV.

Public Health.

The extension of the Sino-Japanese hostilities to South China during 1938 resulted in a still greater influx of refugees into Hong Kong than had taken place in the previous year, and in an aggravation of the various public health problems such as overcrowding, malnutrition and epidemic disease.

The population for mid-year 1938 based upon the arithmetical increase between the census of 1921 and that of 1931 is calculated as 1,028,619.

The Community was faced with having to provide shelter for nearly half a million refugees.

The actual surplus of immigrants over emigrants by sea and rail in 1938 amounted to over 300,000 persons:—this figure does not take cognisance of the surplus of the previous year, nor does it include the large numbers of refugees who entered the Colony across the land frontiers and by sampan, junk, ferry and launch.

Many checks have been made of the numbers of residents per floor in the usual type of three story Chinese tenement. The normal figure before the commencement of the Sino-Japanese hostilities was fifteen to twenty. It is now sixty. This fact goes to support the apparently high estimate of increase in the population given above.

Most of the burden has, of course, been borne by the urban area but many thousands have also crowded into the towns and villages in the rural areas comprising the New Territories.

The actual refugee invasion was fairly continuous throughout the year. It received an impetus in the summer coincident with the bombing of Canton, particularly in June. A second wave followed the Japanese landing at Bias Bay and the invasion of Kwangtung on the 12th of October ending with the capture of Canton by the Japanese troops. Yet a third wave resulted from the "mopping up" operations by the Japanese along the Hong Kong—Kwangtung border on the 25th of November.

The taking of Canton and closing of the Pearl River which preceded it cut off that avenue of escape, but this did not deter refugees from making their way to Hong Kong via Shekki and Macao. On one day the surplus immigrants over emigrants through this channel amounted to over 3,600.

A slight check was placed on entry into the Colony by a regulation requiring immigrants to possess at least twenty dollars per head, but this system is obviously open to fraud.

As might be expected local charitable organizations could not hope to cope with the destitution and distress associated with the refugee problem and Government had to assume control and to erect camps in both the urban and rural areas. Further details of these relief schemes are given in Appendix II of this Report.

That the general health of the community deteriorated as a result of these abnormal conditions goes without saying. Many cases of dangerous infectious disease actually found their way into the Colony in spite of the increased vigilance of the Port Health Authorities and their colleagues in the New Territories and urban areas. Thousands of ill-fed, aged and sick persons also sought safety from the invaded regions and added to the already heavy task of the hospital authorities in the Government and Chinese hospitals. That this alarming situation did not become far more grave was due in no small part to the work of the Medical and Health Staff. A local appeal for funds for the relief of distress in South China raised $389,824.16.

Epidemics.

SMALLPOX.

The outbreak of smallpox started in the early winter of 1937. It reached a peak in March, 1938, when 236 cases and 192 deaths were recorded in one week (ending the 19th of March). Particularly vigorous measures were instituted about that time including the introduction of compulsory vaccination for all immigrants and the placing of Canton in quarantine for the first time in history, thus enabling the Health Authorities to examine and vaccinate the many thousands arriving daily from that port and its smallpox-infected hinterland.

An anti-smallpox and vaccination campaign was carried out in both the English and Chinese Press and through posters all over the territory. Free vaccination centres were opened up in hospitals, dispensaries and at convenient points. The quota of twelve vaccinators was augmented by twenty-four temporary officers. As a result of intensive propaganda some *1,027,591 vaccinations were carried out during the year.

Most of the vaccine lymph used was prepared locally in the Government Bacteriological Institute and gave uniformly satisfactory results. A certain quantity was imported as a reserve to meet any unusual demands.

Three additional wards providing accommodation for from 45 to 60 patients were built in the space of nine days at the Infectious Diseases Hospital.

The outbreak virtually ended in June and only five cases were reported in July and thirty-seven between that date and the end of the year,—the majority of these last cases coming

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* This figure does not include the St. John Ambulance Brigade figure for December.

over as refugees from Kwangtung during the "mopping up" operations already referred to.

The total number of cases for 1938 amounted to 2,327 of whom 1,834 or nearly 79% died.

This constitutes the worst outbreak in the history of the Colony and the heavy case mortality gives some indication of the virulence of the virus.

1,388 of the victims were babies and children of five years and under.

As many as seventy-two were imported cases from Canton, Macao, Shanghai, Swatow, and other China ports.

CHOLERA.

Superimposed on the epidemic of smallpox was a somewhat less serious outbreak of cholera.

The Colony had suffered severely from cholera in 1937 when 1,690 cases and 1,082 deaths were recorded.

Apart from a sporadic case in January, 1938, the Colony was free from the disease until the 25th of May.

The outbreak spread with great rapidity, being aggravated by the thousands of refugees entering the Colony from Canton and other parts of Kwangtung which were infected with the disease and which were being subjected to systematic bombing by Japanese aeroplanes at that time.

The peak was reached by the week ending the 16th of July when sixty-three cases and fifty-three deaths were recorded. Thereafter the numbers affected declined rapidly and less than ten cases were recorded weekly from the end of the second week in November.

In all 547 cases with 364 deaths were recorded giving a case mortality of nearly 67%.

Males were the chief victims and whereas in smallpox the majority of the cases occurred in babies and young children, the age incidence here showed a considerable preponderance in persons of twelve years and over, mainly in adults, only fifty cases being recognized in children of twelve years or less.

Twenty-one cases were imported from various parts of China.

Advantage was taken of the lesson taught in 1937 when the Colony found itself quite unprepared for what proved to be the worse outbreak of cholera it had ever suffered.

Before cases commenced to appear, the general public received detailed warnings through the medium of the Press and through posters and wireless broadcasts as to how to avoid infection, where to obtain free cholera inoculation, and what steps to take on the occurrence of suspected cases of the disease.

The upper blocks of the former prison at Lai Chi Kok were converted into a cholera hospital capable of holding two hundred beds.

Legislation was introduced prohibiting the sale of various foodstuffs and drinks likely to carry infection, and suitable action was taken to limit as far as possible the importation of cases of cholera by sea.

A campaign aiming at inoculating as many of the general public as were willing was instituted, and, in addition to the hospitals and dispensaries, special posts were opened for the convenience of the public. Nearly a million inoculations were carried out. The St. John Ambulance Association and Brigade gave valuable assistance as it had done in the vaccination campaign and useful help was also rendered by the Medical Faculty of the University of Hong Kong during the height of the epidemic.

Steps were taken to arrange for the chlorination of all pipe-borne water in the Colony and to cover an unprotected service reservoir.

Legislation was introduced which aimed at securing compulsory pasteurisation of all fresh milk as from the beginning of 1939—a period of grace being necessary to allow the operating dairies to purchase and instal their plants. Supplementary legislation was also introduced governing the cleansing of bottles, storage of milk, etc.

There is some reason to believe that the measures enumerated above had the effect of keeping the epidemic within more or less reasonable bounds, more especially since the refugee problem in 1938 was far more serious than it had been at the beginning of hostilities in 1937.

It may be worth while recording in this connexion that with an additional two or three hundred thousand persons at risk, the actual number of cases of cholera in 1938 was half that found in 1937.

CEREBRO-SPINAL MENINGITIS.

It is interesting to note that only eight deaths from cerebro-spinal meningitis were reported between 1897 and 1918. In that year a severe outbreak occurred accounting for 923 deaths.

From 1919 to 1937 inclusive, a hundred or more deaths were recorded only in 1919, 1932 and 1934.

In 1938 exactly twenty years after the previous serious outbreak, some 483 cases were registered of whom 223 or 46 per centum died.

As in the case of cholera, in cerebro-spinal meningitis males were more commonly affected than females, although the ratio was only 111 to 100. On the other hand, whereas cholera picked out adults, the large proportion of those affected with cerebro-spinal meningitis were children and young persons under fifteen years of age.

Only 109 out of the 483 cases were over fifteen years old.

Little could be done to combat the outbreak other than to encourage early notification and to secure suitable isolation, usually in the Infectious Diseases Hospital at Kennedy Town.

Stocks of anti-meningococcal serum were prepared by the Government Bacteriologist and their use was reported upon very favourably.

Supplies of sulphanilanide were also made available for the treatment of cases and appeared to give satisfactory results.

Efforts to combat overcrowding were doomed to failure from the start owing to the exceptional conditions arising out of the refugee influx, to the conversion of the all too few tenements into factories and schools and to the existence of many thousands of street sleepers who could not find even a bed space under the stairs in the congested tenements. This matter is dealt with indirectly under a later section of this Report.

OTHER INFECTIOUS DISEASES.

It is of interest to record the fact that two cases of typhus were recognized during the year. Both had been infected in Shanghai.

Numerically speaking, both dysentery (1,071 cases, 340 deaths) and typhoid (539 cases, 187 deaths) were of considerable importance from the public health standpoint and provided yet another index of the unsatisfactory health conditions prevailing in the overcrowded city.

Diphtheria (319 cases, 147 deaths) fortunately did not assume epidemic proportions at any time.

Owing to the invasion of Kwangtung by Japanese forces it became impossible to transfer lepers to the settlement at Shek Lung and by the end of the year the number of inmates of the premises adjoining the Infectious Diseases Hospital at Kennedy Town had reached the figure of 133.

Two important decisions were made regarding the leper question during the year. Firstly, arrangements were made whereby the Catholic Mission received financial assistance to build accommodation for 200 lepers, to be increased to 400 in due course, in order to permit of the transfer of lepers from Hong Kong to Kwangtung, there to be maintained at the expense of the Hong Kong Government.

Secondly, legislation was enacted which gave the Director of Medical Services control over the inmates of the small settlement in Hong Kong, since these persons had been too little subject to discipline previously. Being able to wander at will they not infrequently committed felonies and misdemeanours both inside the settlement and in the town. A ruling was given by Government in this connexion, during the year under review, that convicted lepers should be detained in a special portion of the Prison built for the purpose. Under the former system, lepers who committed even serious felonies were duly convicted, sent to prison, but immediately released to the leper settlement.

However important the diseases already mentioned may be, and indeed are, both individually and in the aggregate, their importance is completely overshadowed by the tuberculosis problem which caused the death of 4,920 persons during 1938.

For every death it is probable that there are five or even ten sufferers from the disease, many of whom are at the moment passing on infection to their families and neighbours.

With the bulk of the population living in grossly overcrowded, ill-ventilated tenements, many of them workless or in receipt of wages which cannot possibly purchase an adequate dietary, exposed to mass infection owing to the universal habit of spitting and to the low standards of hygiene and ignorance of the mode of infection, it is not surprising that this disease claims such a heavy toll of life.

The line of attack against the disease has included the following measures:—the appointment of a Nutrition Research Committee, the appointment of a Housing Commission and the drafting of town planning and zoning legislation, the appointment of a Labour Officer to investigate conditions of work and wages, the increasing of facilities for the discovery, isolation, education and treatment of cases, the education of the general public through the Press and wireless broadcasting system, and the expansion of the Health Services to enable better control to be exercised over domestic and municipal hygiene.

Additional preventive measures are contemplated in regard to the more adequate provision of hospital accommodation for "infectious" cases and to compulsory notification.

The question of a tuberculosis survey is under consideration and 10,000 doses for the Mantoux test together with the necessary syringes and special needles have already been obtained.

Venereal diseases are responsible for much ill-health both amongst the population and amongst the naval and military forces.

The Social Hygiene Centres functioned on an increased scale during 1938 and dealt with some 3,925 attendances.

A special committee was appointed during the year to consider what additional measures could be taken to combat the evil.

Hospitals.

The addition of nearly half a million refugees to a population of a little over a million, during the year under review, very naturally resulted in an almost intolerable strain being placed on hospital accommodation. This was accentuated by the fact that many of the unfortunates who sought safety in this Colony were ill on arrival, and many were homeless and destitute and many others had barely enough money for food.

Instances came to light where nineteen sick and elderly women occupied seven beds in one of the important Chinese hospitals, where there were sixty-one patients in a ward containing twelve beds and where sixty-six women in child-birth shared forty beds.

An old prison was converted into an auxiliary hospital for Chinese patients containing 500 beds, and three temporary wards were constructed at the Infectious Diseases Hospital to hold from forty-five to sixty cases of smallpox or other dangerous infectious disease.

During the summer large marquees were lent by the Military Authorities to house the overflow from the wards and corridors of one of the large Chinese hospitals.

In view of the gravity of the situation, a Hospitals Committee, under the chairmanship of the Director of Medical Services, was appointed to report on existing hospital accommodation and to submit recommendations for its improvement. The Committee sat on several occasions, heard evidence from many sources, and should be in a position to report in the spring of 1939.

Welfare Activities.

The popularity of the welfare centres on the Island and in Kowloon was well maintained and the number of attendances reached a record figure of 124,046.

Repeated representations were received to open another welfare centre to serve the populous area in the west central district and there is some possibility of a start being made in this regard in a portion of the former Government Civil Hospital during the first half of 1939.

These centres cater for a large number of sick children and could be classified as out-patient dispensaries were it not for the fact that they also serve as well-baby centres and as places where mothers can be taught the essentials of mother-craft.

As in previous years the centres continued to distribute hot, nourishing meals daily to over two hundred nursing mothers and distributed quantities of milk, free or at cost price, for babies and young children in need.

The valuable teaching given in the centres was carried into the homes through the medium of Health Visitors.

Registered midwives also took their share in this welfare work and their activities were subject to close supervision from a Lady Medical Officer acting as Supervisor of Midwives.

Nutrition.

Although notes on nutrition are relegated to the end of this chapter, it should be clearly stated that the problem is probably the most pressing one of any which has to be solved in this Colony.

Sir Gowland Hopkins wrote of England that "whatever sum can possibly be spared is almost always spent on food" and Dr. McGorrigle, an expert on such problems in their immediate relation to public health, also wrote that it was "economic factors which control the situation." Such statements are even more applicable to Hong Kong and China as a whole.

Practically speaking, immigration is unrestricted and this, added to a very real refugee problem in which there is a ratio of a refugee to every two normal citizens, results in the labour market being overcrowded and in a tendency to depress the standard of living.

The invasion of Kwangtung by Japanese forces aggravated the situation not only by driving tens of thousands of refugees to seek safety in these territories, which were already overcrowded, but it resulted in a cutting off of very considerable areas from which Hong Kong derives its vegetables, meat, fish, etc.

Evidence of a serious degree of malnutrition in the population was forthcoming as the result of observations carried out at the hospitals and dispensaries, mortuaries, and at the Government camps established for refugees and destitutes. Such conditions as skin affections, eye diseases, respiratory troubles, polyneuritis of beri beri were common. Whole wards were given up to the treatment of the last mentioned group and the recorded deaths from beri beri alone amounted to 2,673 as compared with 1,661 in 1937.

Government was fully alive to this state of affairs and it was decided to appoint an enlarged Nutrition Research Committee under the chairmanship of the Director of Medical Services.

The terms of reference of this Committee are to ascertain the nature and extent of the problem in these territories and to devise measures to deal with it. Plans for dietary surveys have been drawn up and preliminary investigations have been carried out in regard to average meals and prices of basic foodstuffs.

Actual experiments have also been undertaken in connexion with menus for refugee and destitute camps where upwards of ten thousand have been rationed at a time. The average cost for two meals a day in such camps—fuel and service included—has been twenty cents (3d.) and there seems to be some possibility of reducing this to about sixteen cents a day and still maintaining an adequate and a balanced diet. Owing to the magnitude of the refugee problem a reduction of even 25% means a considerable saving to Government, thus releasing funds for relief work of another nature.

As in the previous years over two hundred nursing mothers and children received a nourishing soup meal each day at the welfare centres. Another three thousand or more destitutes were fed daily at three food kitchens operated under the auspices of the Emergency Refugee Council in different parts of the town. During the height of the influx of refugees, many additional food kitchens and distribution centres were organized by private charity in the New Territories.

Experimental diets were recommended to Government for use in the prisons and every effort was made to encourage the cultivation of alfalfa and amaranth and the consumption of red rice and soya bean.

The use of soya bean milk prepared with dextrimaltose, common salt and calcium hydroxide—as being cheaper than the lactate—was also popularised at the welfare centres and in the Government camps.

CHAPTER V.

Housing.

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Housing.

In recent years some evidence has been shewn amongst the artisan classes of the Colony of a quickening social consciousness and the resultant desire to avail themselves of improved housing accommodation wherever such is made available. The unskilled labouring classes, however, are still found densely packed in tenement houses deficient in light and air. These people have to find dwelling places as close as possible to the scene of their work, with the result that the western part of the City of Victoria, which houses the native business quarter and which closely adjoins that portion of the harbour where the traffic from the West River and from the coast ports is handled, is seriously overcrowded.

These conditions, which were, in the past, slowly mitigated by the rebuilding of properties condemned for reasons of structural defects, are now being more rapidly alleviated by the operation of the Buildings Ordinance, 1935, which came into force on the 1st of January, 1936. Overcrowding amongst the labouring class is, however, still prevalent.

The housing of the Colony is all privately owned, and control is maintained by the operation of the Buildings Ordinance, 1935, the provisions of which also regulate the character of the housing. Generally Chinese-type tenement houses are built back-to-back in rows and are separated by a scavenging lane. These houses vary in height from two to four storeys according to the width of the street on which they front. The average height per storey is twelve feet, a minimum being controlled by the Ordinance of 1903. The Buildings Ordinance, 1935, permits a minimum of eleven feet. The houses built prior to the 1903 Ordinance covering the greater part of the native quarter are of depths varying from forty feet to eighty feet, with often less than 100 square feet of open space provided within the curtilage of the lot. With the passing of the Public Health and Buildings Ordinance, No. 1 of 1903, the amount of open space per house to be allowed within the boundaries of each lot was stipulated, and falls under two main heads. These are: (**a**) houses built on land bought prior to the passing of the Ordinance in 1903, where the open space must be not less than one-fourth of the area of the site, and (**b**) houses built on land bought subsequently, where the minimum is raised to one-third of the area. On plan the usual frontage of each house is fifteen feet (a dimension owing its origin more to early structural limitation than to economics), with a depth of about thirty-five feet, whilst each storey consists of one large "room" with a native type kitchen in the rear. This room is then subdivided by thin partitions seven feet high into three cubicles, each of which may accommodate a family. One latrine is built on the ground floor level of each house, irrespective of the number of occupants, and is common to all.

The earlier houses are constructed of blue bricks and timber. The bricks are of native manufacture and have a very low structural value, and the timber is usually of China fir which is extremely susceptible to the ravages of white ants. Lately, however, reinforced concrete and better quality bricks have been used.

In the City of Victoria the major defects of housing are due to lack of town planning. A large proportion of the City was erected in the early days of the Colony when town planning was little practised even in Europe, and the conditions to-day are a heritage the elimination of which would involve immense sums of money, and probably considerable opposition, if attempted on a large scale.

Generally, many of the old houses suffer from defects which are attributable to the Buildings Ordinance in force when they were built. This Ordinance, which was passed in 1903, was framed to meet existing conditions, both structurally and hygienically, as they were then understood and practised. But, viewed in the light of modern practice and knowledge, many of its provisions are now found to be inadequate.

The Buildings Ordinance, No. 18 of 1935, came into operation on the 1st of January, 1936. This Ordinance provides for improvement in the conditions of light and ventilation of those old properties which, under previous ordinances, were not called upon to conform to modern requirements. A higher standard generally is being called for, and building owners themselves are slowly realizing the advantages to be gained from modern constructional methods allied to proper hygienic principles.

In October, 1938, the Housing Commission, appointed in 1935, presented its report to the Government. The principal recommendations were as follows: (**a**) that a permanent Town Planning and Housing Committee be formed to advise Government on town planning and housing matters, to make surveys, to prepare legislation and to devise machinery necessary to give effect to town planning and housing schemes, (**b**) that the Buildings Ordinance be amended to permit the erection of experimental types of tenements, and (**c**) that more open space be provided in or near the congested areas.

There are no building societies in the Colony.

Owing to the influx of refugees from the war areas of China, overcrowding, which is a normal feature of the housing of the poorer classes, increased considerably during the year under review. There was a general increase in rents. Some thousands of the poorest people took to living on the sidewalks of the streets under the verandahs and in shacks erected on vacant pieces of Crown Land.

In order to meet the situation in part and to relieve the street sleeper problem, Government constructed accommodation for five thousand in the urban area and for about twice that number in the New Territories. The huts built in the urban area will provide living space for persons dispossessed from insanitary slum dwellings, pending rebuilding, if it is found possible to carry out slum clearance schemes.

Private building enterprise was particularly active during the year but made little or no impression on the housing shortage.

For the purpose of the sanitary inspection of tenements under the powers conferred by the Public Health (Sanitation) Ordinance, No. 15 of 1935, the Urban District is divided into twenty-eight Health Districts each of which is in the charge of a Sanitary Inspector. Each Health District contains about 3,000 floors and, in normal times, about 30,000 inhabitants. House to house inspection forms part of the duties of the Sanitary Inspectorate and of the Health Officers. Some 47,000 sanitary nuisances were dealt with during the year and some 203,000 floors were subjected to cleansing with kerosene oil emulsion. Floors in the over-crowded central districts are cleansed four times annually and those in the outlying districts twice annually.

Occupation Permits Issued and Premises
Demolished during 1938.

Occupation Permits.	Chinese tenement type houses.	European type houses.
1936 Kowloon.	88	50
Hong Kong.	79	27
	167	77

1937	Kowloon.	40		38
	Hong Kong.	76		19
		116		57
1938	Kowloon.	64	(237 Flats.)	41
	Hong Kong.	39	(152 Flats.)	44
		103		85

Premises Demolished.

1936	Kowloon.	41	3
	Hong Kong.	69	4
		110	7
1937	Kowloon.	18	2
	Hong Kong.	154	16
		172	18
1938	Kowloon.	14	2
	Hong Kong.	15	4
		29	6

CHAPTER VI.

Natural Resources.

CHAPTER VI.

Natural Resources.

The natural products of the Colony of Hong Kong are few and, by comparison with those of other Colonies, unimportant in the general economy of the Empire. Agriculture and the fisheries are, however, the sole means of support of a large percentage of the poorer classes and, to this extent, are essential to the economic life of the community. The labouring classes of the urban population are employed in a variety of small industries, and in the shipyards and docks where ocean-going vessels are built and repaired. The shipyards employ almost as many male workers as all the other smaller industries put together and for this reason shipbuilding is treated of in the present chapter so as to allow comparison with the two other main forms of occupation mentioned above.

Mining is in its early stages. There is good reason to believe that workable deposits are present in practicable quantities but the pursuit of mining is not indigenous to the native Chinese and development at the moment seems to be waiting upon the investment of capital and recognition by large-scale enterprise.

The Colony's forestry resources are not sufficient for commercial exploitation. Afforestation has been in progress for many years, directed mainly towards the conservation of rainfall and the prevention of erosion of the bare hills in which the Colony abounds.

The total area of the Colony is estimated at 249,885 acres. About 20% of this area, or 50,187 acres, is at present under cultivation. There is little fertile land which has not already been taken up. Large areas, particularly on the island, are entirely unsuitable for tillage. The cultivated land generally is in the hands of peasant farmers, who alternate the planting of rice with the growing of vegetables and sugar-cane, and cling to the traditional methods of agriculture practised by their remote ancestors. There are signs of the extension of European enterprise to agriculture, live-stock farming and dairy farming, but steady development on these lines is not yet under way.

Fisheries.

The fisheries of Hong Kong, from the point of view of the general economy of the Colony and of the number of persons connected directly and indirectly with this form of production, are the most important of the local industries. There are three classes of fishery products available in the open market: fresh freshwater fish, fresh sea-fish and salted sea-fish including mollusca and crustacea. Almost all the freshwater fish is imported from Canton, Sheklong, Shekki, Kongmoon, Wuchow and Macao. A portion of the salted and canned goods is imported from Europe, America, and Japan, and from Annam and other East Indian countries. The remainder, both fresh and salted, is the product of the local fisheries.

It is estimated that, during 1938, there were 5,500 large and small Chinese fishing junks either indigenous, or regular visitors, to Hong Kong. These fishing fleets are manned by at least 75,000 able-bodied men and women, and carry with them some 40,000 others who have no homes other than the fishing junks. In normal times the fleets make voyages of two to four weeks' duration as far as Swatow and Kwonghoi (Toishan), but since the outbreak of the Sino-Japanese hostilities they have been compelled to limit their activities to areas within and adjacent to the territorial waters.

During 1938 approximately 160,000 piculs of fresh sea-fish, valued at $2,500,000, and 230,000 piculs of salted sea-fish, valued at $3,600,000, were landed. This represents a total quantity of 390,000 piculs, or 23,150 tons, of a wholesale price value of

$7,100,000, and a retail price value of more than $10,000,000.

It is estimated that over $22,500,000 capital is invested in junks, gear and general equipment.

Approximately 108,000 piculs of fresh freshwater fish, valued at $2,160,000, are imported annually.

Only a small fraction (usually about 80 piculs per day) of the fresh sea-fish is exported to Canton and the surrounding district. In 1938, owing to the increased demand for food-stuff in Hong Kong, the export of fresh sea-fish was reduced to a minimum. Of the salted sea-fish produced in the Colony 30% is consumed locally and 70% is exported to the interior of China through Canton, Macao, Shekki, Kongmoon, Wuchow and occasionally through Shanghai. The total amount of foreign produced salted fish imported into the Colony and then re-exported into China is valued at approximately $4,000,000.

The organization of production is on a loose co-operative basis of traditional growth. The fishermen, brokers, fish stores, *lans* or wholesale dealers, retail dealers and fish stalls are grouped into separate associations, not unlike mediæval guilds. From the fishermen the fish passes to the big *lans* or wholesale dealers either directly or *via* the fish driers or fish stores. From the big *lans* it passes to the retail dealers, the travelling salesmen or the stall keepers, and so to the consumer. The hub of the whole system is the group of twelve big *lans*. Their business is carried out entirely on a commission basis and between one-quarter and one-third of their total capital is advanced to the fishermen free of interest. Between $20,000 and $100,000 is invested in this manner by each *lan*, and between $10,000 and $50,000 kept in reserve. A single *lan* will transact business valued at between $100,000 and $650,000 in a single year.

The local fishermen belong essentially to the floating population, a special class of people known as *tan ka* or 'boat family'. Their calling and trade is a specialised one and they are entirely unsuited to other occupations. Their junks are their only stock in trade. To these they have confined their entire life for generations, regarding them not only as their sole means of support but also as their only home. The fact that there are some 100,000 persons living in 5,500 boats, the largest of which does not exceed 85 feet in length, and the majority of which are less than 60 feet long shows the extent of the overcrowding to which their traditional occupation subjects them. A boat of 70 feet in length provides space for the accommodation of 40 to 45 persons of all ages, besides space for fish, salt, gear, food and miscellaneous cargo. The average earning capacity of a single able-bodied fisherman is $70 per annum. This general low standard of living combined with the hidebound allegiance to a centuries-old tradition has prevented the infiltration of modern methods and the adoption of modern appliances. The Japanese were quick to realise the advantage to be gained from power-driven vessels and the substitution of machinery for man-power. Sometime before 1927 a Japanese fishing company was organized in Hong Kong for work in the South China seas with the presumed object of controlling the entire industry in the Colony and in South China. Steam trawlers and improved fishing methods brought the company increasing profits up to 1937 when the business was suspended owing to the Sino-Japanese hostilities.

Trawling, seining, grill netting and lining are the principal methods of fishing in use in the Colony. Geroupers, sea-breams, golden-threads, flat fishes, rags, white herring, mackerel, crabs, halibut, sole, crayfish and mullet are found in great quantities off the Pearl River delta. In Deep Bay off the New Territories, oysters are cultivated in an area of approximately 20 square miles. The annual produce of this area is about $200,000.

A survey of the fisheries of Hong Kong was begun in 1938 by Mr. S. Y. Liu of the University of Hong Kong.

Agriculture.

It is estimated that 50,187 acres, or 20% of the total acreage of the Colony, are now under cultivation. The great proportion of cultivated land lies in the New Territories, north of the Kowloon hills. The land is held on permit or Crown lease by about 25,000 small farmers or family associations. There is little fertile land which is not being worked in some manner, and if the area of land under cultivation is to be increased considerable capital for fertilization and general development will be necessary. For the present the efforts of agriculturalists are concentrated on improving the quality of the yield rather than on the extension of cultivation. It is probable that the New Territories could never produce sufficient rice for the Colony's requirements, but it is felt that, with the use of modern methods and improved stocks, self-sufficiency could be attained in respect of many other agricultural products such as European vegetables, dairy produce, pineapples and other fruit.

Of the total acreage in crop 70% is planted with rice, 15% with sweet potatoes, 6% with ground-nuts, 6% with sugar-cane, 3% with orchards and 1% with pineapple. At present roughly $140 millions of food-stuffs are imported into the Colony annually. A small quantity of New Territories rice, sugar and ground-nuts is exported, but market and dairy produce, meat and fruit are all consumed locally.

In contrast to the village farmers are the various forms which modern agricultural enterprise is taking in the New Territories. There are several well-equipped poultry farms, fruit orchards and market gardens with sufficient backing of capital to put into practice the theories of tillage, fertilization and improvement of stock and seeds which have been evolved in various agricultural countries. Although many of these farms are now well past the experimental stage they are to a great extent isolated enterprises lacking the effective cooperation necessary for the improvement of agriculture generally. Attempts are, however, being made, notably by the New Territories Agricultural Association and by the Kernel Seed Company of America not only to provide a basis for that cooperation between the few modern farms but to instill into the minds of the village agriculturalists themselves the advantages to be gained from modern methods.

The New Territories Agricultural Association was founded in 1927 and has held an agricultural show each year including the year under review. At these shows such of the village farmers as have cared to avail themselves of the privilege have been able to see a demonstration of the possibilities latent in the soil they till. The Association now has permanent accommodation in the New Territories and has opened an Institute for the training of Chinese youths. Land leased from the Government is being worked on behalf of the Association by the Kernel Seed Co. of America. This company has carried out exhaustive experiments with different kinds of seed in order to find brands most suited to the soil and climate. These experiments have been eminently successful with rice-seed, and a demand is growing among the farmers for a new seed, called No. 716, which was evolved by this Company.

The Association, which is supported by voluntary contributions and by an annual grant of $2,000 from the Government, has still a heavy task before it. The few modern farms are mostly connected with its organization and avail themselves of its assistance as and when they require. The peasant agriculturalist is not, however, so easily reached. The influence of the association is strong only around Fan Ling and Ping Shan, and it is probable that the annual show is hardly heard of in many other districts such as Sai Kung and Lan T'au. The general system, too, of individual and village agriculturalists, does not lend itself readily to change of any sort. Families and clans still hold land which they held when the New Territories were under Chinese rule, and their primitive methods and implements are clung to with the traditional conservatism of the farmer and the obstinacy of a simple people.

The association has, however, many practical achievements to its credit. Besides the increasing facilities, instruction and advice placed at the disposal of the farmer, it has done much to stimulate the growth, and improve the quality of vegetables in winter. The improved quality of this form of produce during the last two years has been striking, and there is no sign that the rate of increase is slowing down.

Shipbuilding.

The shipbuilding and ship repairing industry is the largest manufacturing industry in the Colony. The three main yards are, respectively, the property of the Hong Kong & Whampoa Dock Co., Ltd., the Taikoo Dockyard & Engineering Co., Ltd., and W. S. Bailey & Co., Ltd. These three firms together were responsible for a total tonnage of 12,426 completed during 1938 and for 26,013 gross tons under construction at the end of the year, as compared with a tonnage of 14,073 completed during 1937. Ships built included some special type vessels of considerable diversity of design, and the success of these local products shews that the industry is well served technically. Several large salvage and repair enterprises were undertaken during the year, including heavy repairs necessitated by the typhoon of September 1937, and marine casualties which involved long tows to Hong Kong by local salvage tugs. Considerable progress was made in the building of diesel engines under licence at the Taikoo Dockyard and at the Hong Kong & Whampoa Docks. Further development in this branch of the industry is anticipated. The two largest ships ever to be built in the Colony, M.V. Breconshire and M.V. Glenorchy, each of 10,000 gross tons, are at present under construction at the Taikoo Dockyard.

A number of small craft, including lighters, motor-boats and yachts have been constructed in the native yards, but accurate statistics are not available. There are also many native yards with a considerable output of junks and sampans for the use of the shipping community.

Roughly 20% of the labour employed in the Colony's dockyards is on the monthly wage system and is directly recruited by the dock companies. The remainder is employed under the contract system by which work is hired out at standard rates to contractors who pay and are responsible for their own employees. Workers in each section of the industry are banded together into guilds. These are at present of the nature of friendly societies, but it is possible that they may develop into more orthodox trades unions in the future.

The following are notes on the equipment and general facilities of the three main yards:—

TAIKOO DOCKYARD & ENGINEERING CO., LTD.

A Graving Dock 787 feet long with a breadth at entrance of 95 feet and a depth of water at ordinary spring tides of 34 feet 10 inches.

Three patent slipways capable of taking vessels up to 4,000 tons displacement.

Five building berths for ships up to 500 feet in length.

Deep water quayage 3,200 feet long, with one 100-ton crane, and 25-ton and 10-ton electric travelling cranes.

836 gross tons of shipping were completed during 1938, and 22,320 gross tons were under construction at the end of the year.

HONG KONG & WHAMPOA DOCK CO., LTD.

Largest Graving Dock 700 feet long, with a breadth of 88 feet to 94 feet and a depth of water at ordinary spring tides of 29 feet 6 inches. Five other graving docks.

Two slipways capable of taking vessels up to 2,000 tons displacement.

Building berths for ships up to 700-800 feet.

Two wharves of 430 feet and 600 feet respectively.

6,000 tons of steel were used on structural repairs to ships during 1938. 11,069 gross tons of shipping were completed during 1938, and 3,193 gross tons were under construction at the end of the year.

W. S. BAILEY & CO., LTD.

Sea frontage for shipbuilding berths of 550 feet on which twenty-one vessels can be laid down.

Facilities for the construction of hull and machinery for vessels up to 200 feet in length.

Repair work is carried out on three electrically operated slipways, the largest accommodating vessels of 300 feet in length and of 3,000 tons displacement. The total repair work undertaken during 1938 was carried out on vessels totally 22,000 tons.

Ships were constructed to a total of 521 gross tons during the year and ships totalling 500 gross tons were under construction at the end of the year.

Mining.

Owing to the absence of a detailed geological report, the mining potentialities of the Colony are to a large extent unknown. Small scale prospecting and mining operations in the past would appear to indicate that there are no minerals of economic value on the island of Hong Kong but that in the New Territories and neighbouring islands there are deposits of the following minerals which may prove of economic value if prospected and mined by up to date methods backed with adequate capital: Argentiferous galena, Wolframite, Molybdenite, Magnetite, Hematite, Manganese, Granite for building purposes, and Kaolin for bricks and porcelain. It would appear that the present tendency is towards scientific deep prospecting and large scale mining, as compared with the shallow workings of the past. Since 1936 twenty applications for prospecting licences and six applications for mining licences have been received.

Hong Kong mining law is codified in the Mining and Prospecting Ordinance, No. 7 of 1906. The power given to the Governor-in-Council to fix the charges for licences and leases is at present waived, and such charges are determined according to the circumstances of each case.

There are four mining leases in existence at the present time. The Hong Kong Clays and Kaolin Co., Ltd., prior to the Sino-Japanese hostilities, was employing twelve to thirty coolies on daily wage, and producing 2,500 tons of good quality kaolin per annum. Marsman (Hong Kong) China Ltd. employs 500 coolies at the Needle Hill wolfram mine, and had recovered 1,640 piculs of this ore, mostly exported to England, up to the end of 1938. The ore is purchased from sub-contractors on a sliding scale, the company providing all facilities such as power, plant, transport, accommodation etc. At the Lin Ma Hang mine the Hong Kong Mines Co., Ltd., is working a galena deposit for silver and lead by underground methods on the adit system. The ore carries an average of 2.5 oz. per short ton of silver and 10.4% lead. A labour force of five hundred, with a plant of 575 H.P., is employed. 5,526 short tons of concentrates carrying 15.8 oz. per short ton silver and 69% lead have so far been produced at a cost of £12 per ton. At Ma On Shan the New Territories Mining Co., Ltd., employs 120 contract coolies under Chinese management to mine an outcrop of magnetite iron ore on the quarry system. Approximately 8,000 tons have been produced since 1931.

Mining generally in the Colony is as yet in its infancy and at present there are no adequate regulations for the inspection and control of the existing mines. It is possible that more mines will be opened in the near future and the Government has under consideration detailed measures for the more effective control of all mining activities.

During the year 1938 an investigation into general mining conditions in the Colony was carried out by Mr. A. E. P. Kershaw, Senior Inspector of Mines, Perak, Federated Malay States. Mr. Kershaw submitted a report on the control measures which the Government should adopt in respect of local mining, which has been printed as Sessional Paper No. 14 of 1938.

Forestry.

The history of forestry work in the Colony consists of progressive afforestation of a bare, hilly country. The greater part of Hong Kong Island has now been afforested, the older plantations being about sixty years of age. In the New Territories certain definite areas have been afforested, while a movement to interest the local population in the value of forests, initiated in 1904, has produced a sparse forest covering in the neighbourhood of villages.

The aims of local afforestation may be summed up as follows:—

(1) To provide a forest covering to the hilly country.
(2) To prevent further erosion of the numerous slopes.
(3) For hydrological reasons, i.e. to assist in the conservation of rainfall, etc., with its resultant effect upon the Colony's water supply and agricultural areas.
(4) To build up timber reserves on Crown land.

Commercial exploitation of the forest reserves is not contemplated. Such timber as is extracted is in the nature of typhoon-damaged trees or necessary thinnings. The native afforestation scheme provides the peasant population with fuel for domestic and other purposes. Partly owing to the increased price of imported firewood there has recently been considerable commercialization of these amenities, the local timber being brought into the towns and villages and sold profitably.

During 1938 forestry offences were numerous and considerable difficulty was experienced in the protection of forest areas particularly in the thickly populated parts of Hong Kong Island and Kowloon. The large increase in offences of this nature was chiefly due to the Sino-Japanese hostilities which severely curtailed imports of firewood from South China and brought into the Colony large numbers of refugees.

The native afforestation scheme mentioned above consists of letting sections of open hillside land to a village or villagers at a nominal annual rental of 20 cents per acre. When the trees are considered large enough the licensees are permitted to remove 10% of them annually conditionally upon their planting an equivalent number of trees. The species used for this purpose is *Pinus Massoniana Lamb.*, which provides excellent fuel. The Leased Forest Lot Scheme is administered by the District Officers. Wild trees may not be felled at any time except under special circumstances when permission must be obtained from the Superintendent, Botanical and Forestry Department.

A general survey of forestry activities was made, and a Forest Experimental Station established during 1938. The Forest Protection Service was separated from the Field Service and was domiciled on definite areas.

Estimated Areas Under Forest.

(a) *Crown Land.*

Hong Kong Island—about 18 square miles.

New Territories—about 4 square miles.

(b) *Native Holdings* (Leased Forest Lots).

Hong Kong Island—nil.

New Territories—approximately 81⅓ square miles.

Timber Production.

(a) *Crown Land.*

As stated above output consists chiefly of the removal of dead and damaged timber. During 1938 removals of this nature totalled 2027.59 tons, valued at $35,000 at current prices (i.e. average of prices for the year). The average dimensions of trees of 8-10 years of age in Crown plantations are height 21 feet, diameter 4 inches (breast-high).

(b) *Native Holdings* (Leased Forest Lots).

Under the conditions of the forestry licence the licensee may remove 10% of the timber per annum. It is customary to remove side branches (brushwood) at definite seasons of the year and these are utilised for brick kilns, etc. This results in the production of stunted trees which are considered sufficiently large for disposal as firewood when they have attained a height of 12 feet and a diameter of 2 inches to 4 inches (breast high). The age of trees of these dimensions is from 8 to 14 years. From inspections and check it is estimated that the annual output of timber and brushwood is approximately 11 piculs (12.16 cwts.) per acre. At the 10% removal rate this represents an output of 3408.2 tons for the whole area under "leased forest lots." For the year 1938 this was valued at $17,177.

Proportion of Land Under Forests.

Area of Colony	—	390	square miles.
,, ,, Crown Forests	—	22	,, ,,
,, ,, Leased Forest Lots	—	81⅓	,, ,,
Percentage of Crown Forests	—	5.64%	
,, ,, Leased Lots	—	20.85%	
Total percentage	—	26.49%	

CHAPTER VII.

Commerce.

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Commerce.

The trade of Hong Kong is that of an entrepôt,—a place where goods are imported primarily for exportation. As a business centre the Colony handles the trade between South China and the rest of the world, and consequently the mercantile community is much larger than is necessary for handling local needs. At present, when the South China market is to a large extent cut off by military operations, many firms have been compelled to reduce their overhead expenses and to draw upon reserves.

From its position as the centre of an entrepôt trade Hong Kong has grown to be a very important banking centre. Trade conditions demand a highly organized system of exchange banking. The banks established are, therefore, pre-eminently Exchange Banks which also perform the ordinary functions of domestic banking. There are about thirty-four banks in the Colony. Marine insurance companies are also numerous.

Hong Kong is one of the world's large ports, possessing a fine natural harbour seventeen square miles in extent. Cargo is handled both in mid-stream and at wharves which give access to modern warehouses.

Shipbuilding, which is dealt with more fully in Chapter VI, is one of the Colony's most important trades, employing, in commercial establishments and in the Royal Naval Dockyard, many thousands of Chinese under the supervision of European experts. Cement, sugar refining and rope-making are old established industries. Recently there has been considerable development of knitting and weaving, garment-making and rubber-shoe manufacture which has received an impetus by reason of duty-free admission to British countries under Imperial Preference.

For practical purposes the Colony of Hong Kong can be considered to be a "free port." The only import duties imposed are on liquors, tobaccos, perfumed spirits, and light hydrocarbon oils. Preferential rates of duty are extended to Empire brandies and tobaccos. An *ad valorem* licence fee is charged on first registrations of motor vehicles which are not of British Empire origin.

The Hong Kong trade returns do not distinguish between imports for consumption and imports for re-export or between exports of Hong Kong, Chinese and non-Chinese origin, and it is not possible to differentiate the various items of trade accurately. Trading conditions have changed radically in various directions since the outbreak of the Sino-Japanese hostilities in 1937. Before that date the visible trade of the Colony fell into four broad categories:—

(a) Imports for consumption in Hong Kong (including raw materials for certain industries) and exports of Hong Kong origin.

(b) Chinese external trade passing through Hong Kong, i.e., Chinese goods re-exported to non-Chinese countries and non-Chinese goods re-exported to China.

(c) Chinese coastal trade, i.e., goods imported from one part of China and re-exported to another.

(d) Non-Chinese entrepôt trade, i.e., goods imported from a non-Chinese country and re-exported to another non-Chinese country.

By an examination of the individual items of trade it was possible to make an approximate estimate of the values of the respective items, and these, prior to July, 1937, were roughly as follows:—

One third of the imports into Hong Kong was of goods intended for retention in Hong Kong, coming from Chinese and non-Chinese countries in the proportion of one to three; and a tenth or less of the exports was of goods originating in Hong Kong (e.g. refined sugar, rubber shoes etc.). Re-exports constituted two-thirds of the imports and nine-tenths of the exports. Of them some 10 per cent consisted of "Chinese coastal trade," 20 to 25 per cent consisted of non-Chinese entrepôt trade and the remainder, nearly 70 per cent, was made up of goods passing between China and the rest of the world *via* Hong Kong.

It is common to speak of Hong Kong's trade as being almost wholly concerned with China, but the above figures make it clear that such a part of it as is concerned with China *alone* is less important than that which is not concerned with China at all. The latter consists of such items as the trade in rice from Siam and Indo-China to Japan and the Philippines, the trade in wheat flour from North America to Siam and the trade in Japanese manufactured articles to Indo-China, Siam, Malaya and the Netherlands East Indies.

The latter half of the year 1937 shewed, in spite of the general decline in China's trade, a considerable increase in the proportion of that trade passing through Hong Kong. The proportion of China's imports credited to Kowloon increased from 3% in July, 1937, to 45% in January, 1938. The proportion of China's exports returned as going to Hong Kong increased from 12% in July, 1937, to 41.3% in January, 1938. At the same time the absolute amount of Hong Kong's trade with China also increased.

This state of affairs with regard to the Colony's China trade, accompanied by a steady increase in general trade, continued during the first three quarters of 1938. In October of that year an abrupt downward movement in all trading figures was shewn as the Japanese extended their operations to South China. As a result of the military occupation of Canton and the closure of the Pearl River the normal trade routes between the Colony and the South China delta regions were almost entirely disrupted, and at the close of the year there were no signs of any early appreciable resumption of the South China trade. In the first nine months of 1938 the import and export trade with South China averaged $70.9 millions in each quarter. In the final quarter of the year the total was $32.6 millions.

In terms of the analysis of Hong Kong's trade before the Sino-Japanese hostilities, given above, the position at the end of the year was that, though categories (a) and (d) were only indirectly affected, categories (b) and (c) had, with the exception of air transport and minor attempts at avoiding the Japanese blockade of the Pearl River delta, come to a virtual standstill.

The total visible trade of the Colony during the year 1938 totalled $1,130.1 millions (£69.9 millions) as compared with $1,084.4 millions (£66.9 millions) in 1937, and $803.3 millions (£50.6 millions) in 1936. Imports of merchandise in 1938 increased by 0.2% as compared with 1937, and by 36.6% as compared with 1936. Exports increased by 49.5% as compared with 1936.

The following is a list of the appendices to this chapter with general observations on the statistics shewn therein:—

A. TOTAL VALUE OF IMPORTS AND EXPORTS OF MERCHANDISE.

Statistics of imports and exports for the years 1935—1938 reveal a progressive increase of trade in terms of local currency (imports from $364.9 millions in 1935 to $618.1 millions in 1938, and exports from $271.0 millions in 1935 to $511.9 millions in 1938). Imports and exports in 1934 were higher than in 1935 in terms of local currency—the 1934 totals being $415.9 millions (imports) and $325.6 (exports), but, owing to higher currency values in 1935, the sterling totals were greater in that year.

B. PERCENTAGE OF TOTAL IMPORTS PROVIDED BY EMPIRE AND FOREIGN COUNTRIES.

During the period 1934—1938, the share of Hong Kong's total import trade supplied by British Empire countries has varied between 13 per cent and 17.2 per cent (the latter being the 1938 figure). The United Kingdom is the largest Empire supplying country (9.1 per cent of Hong Kong's total import trade in 1938), the share of other Empire countries in the same year being Australia 2%, India 1.9%, Malaya 1.2%, "other Empire countries" 3%.

The percentages of Hong Kong's total import trade supplied by the various non-Empire countries has varied only slightly during the period 1934-38, with the exception of Japan, the share of which country has decreased from 8.8% in 1934, and 12.8% in 1936 to 3% in 1938. The shares of other non-Empire countries in 1938 were as follows:—China 37.7%, U.S.A. 8.8%, Netherlands East Indies 6.6%, Germany 6.3%, Siam 5.9%, French Indo-China 5.6%, "other foreign countries" 8.9%.

C. PERCENTAGE OF TOTAL EXPORTS SENT TO EMPIRE AND FOREIGN COUNTRIES.

During the period 1934-1938, the share of Hong Kong's total export trade shipped to British Empire countries has varied from 13.9 per cent to 19.7 per cent. The total in 1938 was 16.3 per cent. British Malaya is the largest Empire purchasing country (7.2 per cent of Hong Kong's total export trade in 1938), the share of other Empire countries in the same year being United Kingdom 4.1%, India 1.6% and "other Empire countries" 3.4%.

The percentages of Hong Kong's total export trade supplied to the various non-Empire countries has varied within narrow limits during the period 1934-1938, the only country where a marked difference is apparent being Japan to which country 3.5% of Hong Kong's total exports were shipped in 1934, 5.1% in 1936 and 0.6% in 1938. The percentages taken by other non-Empire countries in 1938 were as follows:—China 45.1%, U.S.A. 10.2%, French Indo-China 4.5%, Macao 4.1%, Siam 3.1%, "other foreign countries" 16.1%.

D. QUANTITIES AND VALUES OF PRINCIPAL ARTICLES OF IMPORTS DURING THE YEARS 1937 AND 1938.

The principal commodities imported into Hong Kong (1938 values being given in brackets) are as follows:—

Food stuffs	($152,441,000)
Piece-goods	(79,833,000)
Oils and Fats	(78,223,000)
Metals	(48,144,000)
Chinese Medicines	(19,593,000)
Fuels	(17,273,000)
Machinery	(17,136,000)
Dyeing Materials	(16,086,000)
Paper and Paperware	(14,743,000)
Vehicles	(14,140,000)

The above-mentioned commodities also figure as the principal exports from Hong Kong, as most imports into this Colony are destined for China and adjacent markets.

E. QUANTITIES AND VALUES OF PRINCIPAL ARTICLES OF EXPORTS DURING THE YEARS 1937 AND 1938.

Exports of Chinese produce from Hong Kong to Europe, the United States of America and other markets were well maintained in 1938 and in some instances there were considerable increases, notably in tea, wood oil and bristles as a result of trade being diverted to Hong Kong from Yangtse ports during the first nine and a half months of the year as a result of Sino-Japanese hostilities. The export trade was very seriously curtailed subsequent to the closure of the Pearl River on the 13th of October. The values of principal exports of Chinese commodities from Hong Kong in 1938 were as follows:—

Wood Oil	$39,762,205
*Tin	$16,318,553
Tea	$12,080,814
Wolfram Ore	$14,252,838
*Firecrackers	$ 4,647,436
*Peanut Oil	$ 3,920,453
Hides	$ 3,672,228
Feathers	$ 2,359,284
*Preserved Ginger	$ 2,187,651

Exports of Hong Kong manufactured goods under Imperial Preference were well maintained in 1938. The Trade Returns do not differentiate between exports of locally manufactured goods and re-exports of similar imported goods. It is therefore impossible to give approximate exports of locally manufactured sugar, cement, rope and woven cotton and artificial silk cloth because exports under these headings include considerable quantities of imported goods re-exported to adjacent markets. In the case of many other classes of goods, however, there is little import trade and the export figures may be taken to represent mainly the export of locally manufactured goods. The following export of Hong Kong made goods in 1938 has been assessed on this basis:—

Canvas Rubber Shoes	$6,675,542
Singlets	$5,019,924
Shirts	$2,168,543
Socks	$1,121,172
Other wearing apparel	$3,426,077

**Note.*

Chinese tin is refined in Hong Kong before export. The item *firecrackers* includes locally made firecrackers as well as firecrackers imported from South China and Macao. The item *peanut oil* includes locally manufactured peanut oil as well as peanut oil imported from North China. *Preserved ginger* exported from Hong Kong is manufactured here from ginger imported from South China and sugar imported from Dutch East-Indies.

Electric Torches	$2,900,261
Electric Batteries	$2,189,923
Hats	$1,068,113

F. TOTAL VALUE OF IMPORTS OF TREASURE.

G. TOTAL VALUE OF EXPORTS OF TREASURE.

H. WHOLESALE PRICE INDEX.

I. INDEX NUMBERS OF QUANTITIES OF COMMODITIES IMPORTED INTO HONG KONG.

APPENDIX A.

Total Value of Imports and Exports of Merchandise (in $'s and £'s Thousands).

	Imports.	Exports.	Average Rate of Exchange.
1938	$ 618,169	511,902	H.K.$ = 1s. 2.27/32d.
	£ 38,233	31,661	
1937	$ 617,064	467,323	= 1s. 2.13/16d.
	£ 38,084	28,843	
1936	$ 452,350	350,865	= 1s. 3.3/16d.
	£ 28,625	22,206	
1935	$ 364,990	271,033	= 1s. 11.5/16d.
	£ 35,453	26,327	
1934	$ 415,919	325,105	= 1s. 6.3/16d.
	£ 31,519	24,637	

APPENDIX B.

Percentage of total Imports provided by Empire and Foreign Countries.

	1938. %	1937. %	1936. %	1935. %	1934. %
British Empire	17.2	16.1	13.0	13.9	14.8
Foreign	82.8	83.9	87.0	86.1	85.2
Australia	2.0	2.2	2.0	2.3	1.6
Belgium	1.0	1.6	1.5	1.3	1.2
British Malaya	1.2	1.5	1.6	1.7	1.3
China	37.7	34.2	33.6	33.8	35.2
French Indo-China	5.6	6.6	5.7	8.9	6.3
Germany	6.3	5.0	5.2	4.5	3.3
India	1.9	1.0	1.3	1.2	2.0
Japan	3.0	9.4	12.8	11.8	8.8
Netherlands East Indies	6.6	7.6	8.5	6.2	8.3
Siam	5.9	3.7	6.6	5.6	8.0
United Kingdom	9.1	7.6	6.4	6.5	7.8
U. S. A.	8.8	8.4	7.1	7.3	7.1
All Other Countries	10.9	11.2	7.7	8.9	9.1

APPENDIX C.

Percentage of total Exports sent to Empire and Foreign Countries.

	1938. %	1937. %	1936. %	1935. %	1934. %
British Empire	16.3	19.7	17.6	13.9	14.2
Foreign	83.7	80.3	82.4	86.1	85.8
British Malaya	7.2	8.5	7.3	6.3	7.6
China	45.1	40.7	42.7	49.0	48.0
French Indo-China	4.5	5.1	5.0	5.3	7.4
Japan	0.6	4.2	5.1	4.2	3.5
India	1.6	1.1	1.4	1.3	1.3
Kwong Chow Wan	1.9	2.1	3.0	3.4	2.5
Macao	4.1	3.7	3.7	4.9	5.3
Netherlands East Indies	2.8	3.3	2.8	2.3	2.6
Philippine Islands	1.9	2.8	3.3	1.8	1.6
Siam	3.1	3.0	4.1	3.9	4.5
United Kingdom	4.1	4.5	3.8	2.8	2.0
U. S. A.	10.2	8.8	8.1	7.8	5.7
All Other Countries	12.9	12.2	9.7	7.0	8.0

APPENDIX D.

Quantities and Values of Principal Articles of Imports during the years 1938 and 1937.

Article		1938.		1937.		Principal Source of Supply.
		Quantity	Value	Quantity	Value	
			$		$	
Animals (for slaughter)	Head	363,487	10,095,934	272,076	8,652,295	South China, Kwong Chow Wan, French Indo-China.
Cement	Piculs	939,391	1,772,132	1,201,440	1,089,557	French Indo-China, Japan.
Timber	Cu. Ft.	3,535,990	3,919,750	2,974,367	3,494,520	British North Borneo, U.S.A., Siam, South China.
Chemicals & Drugs	—	—	6,404,359	—	7,163,632	Germany, U.K., U.S.A.
Pharmaceutical Products	—	—	2,848,699	—	2,809,150	Germany, U.K., U.S.A.
Chinese Medicine	—	—	19,592,511	—	22,117,748	South China, North China.
Aniline Dyes	—	—	9,291,677	—	3,458,707	Germany, U.K.

APPENDIX D. (Continued).

Article		1938		1937.		Principal Source of Supply
		Quantity	Value	Quantity	Value	
			$		$	
Indigo (Artificial) ...	Piculs	33,079	2,960,658	21,285	2,243,083	Germany, U.K., U.S.A.
Beans	..	763,189	6,201,392	540,737	4,637,981	North China.
Fish & Fishery Products	—	—	7,336,003	—	10,613,079	Japan, French Indo-China, South China.
Wheat Flour	Piculs	1,365,013	12,717,719	1,142,496	12,512,662	Australia, U.S.A., Canada.
Rice (all kinds)	..	8,581,997	54,443,971	9,197,455	58,512,212	Siam, French Indo-China, Burma.
Sugar (all kinds)	..	2,045,813	13,308,294	2,730,210	20,138,577	Netherlands East Indies.
Milk (canned)	Cases	210,788	3,409,813	210,084	3,185,927	Holland, U.K.
Tea	—	—	16,926,951	—	3,923,626	Middle China, South China.
Coal	Tons	738,830	13,934,721	896,882	13,426,358	Japan, North China.
Hardware	—	—	6,003,238	—	6,914,562	Germany, U.K.

APPENDIX D. (Continued).

Article		1938. Quantity	1938. Value	1937 Quantity	1937 Value	Principal Source of Supply.
			$		$	
Malt Liquors	Gallons	603,687	1,375,661	452,745	1,038,382	U.K., Japan.
Wines	,,	44,392	494,053	35,624	431,731	France, U.K.
Spirits	,,	120,550	1,918,763	92,398	1,499,592	France, U.K.
Machinery & Engines	—	—	17,136,128	—	8,865,764	Germany, U.K., U.S.A.
Sulphate of Ammonia	Piculs	1,234 988	9,431,860	1,977,310	12,949,457	Germany, U.K., Belgium, Holland.
Iron Bars	,,	273,981	3,474,895	876,230	7,561,933	Belgium, U.K.
Tinplates	,,	218,858	4,866,254	487,536	9,891,456	U.S.A., U.K.
Tin Slabs	,,	113,218	19,450,562	143,384	27,486,699	South China, Malaya.
Wolframite	,,	47,251	7,040,759	61,721	10,984,339	South China, Macao, North China.
Manganese Ore	,,	21,664	56,063	957,003	964,378	South China.
Nuts	,,	967,712	10,236,951	443,583	5,479,726	North China, Netherlands East Indies.

APPENDIX D. (Continued).

Article		1938.		1937		Principal Source of Supply
		Quantity	Value	Quantity	Value	
			$		$	
Seeds ……. …………	Piculs	173,496	3,585,980	155,367	3,880,820	South China, Malaya, Kwong Chow Wan, North China.
Lard …………………	,,	1,533	37,707	60,109	2,258,266	North China, Siam, South China.
Petrol ………………	Imperial Gallons	14,395,809	10,962,436	20,960,597	14,468,969	Netherlands East Indies, U.S.A., North China.
Fuel Oil ………………	Tons	246,601	12,728,474	172,355	10.377,242	Netherlands East Indies, U.S.A.
Kerosene ……………	Imperial Gallons	15,754,497	5,494,953	22,429,157	7,708,906	Netherlands East Indies, U.S.A.
Lubricating Oil …….	,,	2,997,489	2,438,909	6,559,791	4,459,945	Netherlands East Indies, U.S.A.
Wood Oil ……………	Piculs	711,506	32,327,155	353,410	19,217,853	South China, North China, French Indo-China.

APPENDIX D. (Continued).

Article		1938.		1937		Principal Source of Supply.
		Quantity	Value	Quantity	Value	
			$		$	
Peanut Oil …………	Piculs	287,464	5,913,909	143,970	3,960,741	North China, Netherlands East Indies, Kwong Chow Wan.
Paints ………………	—	—	2,328,535	—	2,297,260	U.K., Germany, Japan.
Printing Paper ………	—	—	4,740,273	—	5,131,012	Germany, Canada.
Unbleached Cottons	Pieces	833,220	7,480,648	788,547	6,645,378	Japan, North China.
Bleached Cottons ….	,,	251,678	2,781,664	273,380	3,174,032	U.K., Japan, North China.
Light Cotton Fancies	Yards	3,183,873	1,092,808	4,194,833	1,112,997	Japan, U.K., North China.
Other Cottons ………	,,	49,174,764	11,705,564	57,463,154	12,548,649	Japan, North China, South China.
Prints …………………	,,	955,971	327,823	3,264,081	619,008	Japan, U.K.
Cotton Thread …….	Grosses of 50 Yards	577,527	1,090,172	528,987	698,440	U.K., Middle China.

APPENDIX D. (Continued).

Article		1938		1937.		Principal Source of Supply
		Quantity	Value	Quantity	Value	
			$		$	
Cotton Yarn	lbs.	48,035,978	31,006,160	36,080,586	24,598,913	North China, Japan, U.K., India.
Woollens	Yards	1,759,224	4,732,590	1,651,844	3,727,279	U.K., Japan, Italy.
Silk (Artificial)	—	—	3,304,035	—	8,337,042	Japan, North China.
Silk (Raw)	—	—	5,296,211	—	4,708,008	South China.
Tobacco, Cigars & Cigarettes	lbs.	1,815,244	3,907,678	1,795,360	2,987,825	U.K., Philippines, North China, U.S.A., Macao.
Motor Cars	No.	800	2,819,324	740	2,123,831	U.K., Canada, U.S.A.
Motor Lorries	,,	3,424	8,472,228	695	1,531,201	U.S.A., U.K.
Boots & Shoes	—	—	1,556,707	—	954,901	Japan, Czechoslovakia.
Wearing Apparel	—	—	3,515,339	—	3,492,787	U.K., Japan, North China, South China.
Gunny Bags	Pieces	5,899,587	1,657,431	5,916,024	1,945,363	India, Malaya, Macao.

APPENDIX D. (Continued).

Article		1938		1937		Principal Source of Supply
		Quantity	Value	Quantity	Value	
			$		$	
China Ware	—	—	743,998	—	795,041	North China, Japan, Middle China.
Cosmetics & Perfumery	—	—	1,108,589	—	1,049,507	U.S.A., South China, U.K., France.
Electric Lamp Bulbs (All Kinds)	—	—	883,879	—	461,656	North China, U.K., Japan.
Radio Apparatus	—	—	1,246,508	—	779,242	U.S.A., U.K.
Feathers	—		2,619,634	—	4,295,645	South China, French Indo-China, Middle China.
Firecrackers	—	—	3,389,663	—	5,333,825	South China, Macao, Kwong Chow Wan, North China.
Hides (All Kinds) ...	Piculs	98,447	5,482,534	173,459	8,387,030	South China, Siam.

APPENDIX D. (Continued).

Article		1938		1937		Principal Source of Supply
		Quantity	Value	Quantity	Value	
			$		$	
Leather (All Kinds)	—	—	2,747,263	—	3,137,610	Australia, South China, Malaya.
Mats (All Kinds) ...	—	—	1,906,568	—	2,652,605	South China, French Indo-China.
Matches	—	—	1,611,180	—	1,086,075	Japan, Macao, South China, Sweden.
Rubber (Raw)	Piculs	35,367	2,410,211	36,785	3,484,115	Malaya, Netherlands East Indies, French Indo-China.

APPENDIX E.

Quantities and Values of Principal Articles of Exports during the years 1938 and 1937.

Article		1938.		1937.	
		Quantity	Value	Quantity	Value
			$		$
Cement	Piculs	1,124,985	2,687,131	1,615,806	2,611,357
Timber	Cu. Ft.	1,016,354	1,315,882	458,759	633,461
Chemicals & Drugs	—	—	4,914,923	—	4,239,195
Pharmaceutical Products	—	—	4,159,535	—	2,296,349
Chinese Medicines	—	—	15,714,561	—	17,045,541
Aniline Dyes	—	—	4,921,612	—	1,917,450
Indigo (Artificial)	Piculs	21,506	2,693,847	7,102	1,050,417
Beans	,,	458,508	3,824,779	382,541	3,561,930
Fish & Fishery Products	—	—	6,764,216	—	9,459,738
Wheat Flour	,,	1,064,107	9,974,442	804,590	9,012,606
Rice (All Kinds)	,,	5,418,281	36,429,104	6,079,649	39,395,832
Sugar (All Kinds)	,,	1,605,715	14,470,235	2,011,846	16,600,742
Ginger, Preserved	—	—	2,156,132	—	2,264,708
Tea	—	—	16,080,814	—	3,620,211
Hardware	—	—	3,013,405	—	5,216,889

APPENDIX E. (Continued).

Article		1938.		1937.	
		Quantity	Value	Quantity	Value
			$		$
Native Liquors	Gallons	202.720	689.906	258,338	898,457
Machinery & Engines	—	—	6,470,542	—	4,861,358
Sulphate of Ammonia	Piculs	1,439,992	12,445.490	1.566,820	11,041,647
Iron & Steel Bars	,,	175.722	1,949.689	414.891	4,104,458
Iron & Steel Scrap	,,	157,690	813.943	425,711	2,149,953
Tinplates	,,	223.547	4,944.384	141,809	3,029,696
Tin Slabs & Ingots	,,	106.345	16.362.918	120,812	22,921,351
Wolframite	,,	80,817	14,252.838	78,231	15,382,666
Manganese Ore	,,	37.146	63,652	720,073	1,089,867
Nuts	,,	717.863	7,717.548	212,265	2,767,533
Seeds	,,	130.498	2,860.771	116,024	3,025,620
Lard	,,	35.188	884.008	94,290	4,057,026
Petrol	Imperial Gallons	10,936,933	10,267,764	13,138,662	11,789,431
Fuel	Tons	75,676	5.141.422	77,004	4,857,172
Kerosene	Imperial Gallons	14,394,702	7,378,516	20,921,437	10,994,777

APPENDIX E. (Continued).

Article		1938.		1937.	
		Quantity	Value	Quantity	Value
			$		$
Lubricating Oil	Imperial Gallons	3,460,499	3,685,568	3,330.849	3,214,638
Peanut Oil	Piculs	167,941	3.920,453	125.810	3,717,575
Wood Oil	,,	822 462	39.762,205	268.703	15,476,909
Paints	—	—	1,713,284	—	1,769,357
Printing Paper	—	—	1,283,281	—	1,519,888
Unbleached Cottons	Pieces	337,813	3,240,508	411,031	3,074,432
Bleached Cottons	,,	109,495	1,395,940	128,191	1,603,156
Light Cotton Fancies	Yards	532,488	190,110	1,144,362	312,981
Other Cottons	,,	61,289,110	14,631,675	58,826,585	13,294,204
Cottons, Prints	,,	343,288	90,218	1,692,073	324,191
Cotton Thread	Grosses	421,162	792,978	200,475	362,362
Cotton Yarn	lbs.	35,394,504	21,163,764	25,438,399	14,586,821
Woollens	Yards	193,236	367,063	184,728	309,556
Silk (Artificial)	—	—	1,016,028	—	2,567,497
Silk, Raw	—	—	4,446,735	—	4,318,999
Tobacco, Cigars & Cigarettes	lbs.	7,374,125	7,664,107	4,358,711	4,490,405
Motor Cars	No.	469	1,212,465	353	664,868

APPENDIX E. (Continued).

Article		1938.		1937.	
		Quantity	Value	Quantity	Value
			$		$
Motor Lorries	No.	4,224	15,285,364	570	1,490,298
Boots & Shoes	—	—	7,585,639	—	6,677,500
Wearing Apparel	—	—	12,975,680	—	13,007,043
Gunny Bags	Pieces	8,781,568	2,733,911	8,930,438	2,962,774
China Ware	—	—	461,411	—	521,235
Cosmetic & Perfumery	—	—	1,007,637	—	1,115,128
Electric Torches	—	—	2,900,261	—	3,670,609
Electric Torch Batteries	—	—	2,189,923	—	1,840,956
Embroidery & Lace	—	—	1,380,026	—	2,347,448
Feathers	—	—	2,359,284	—	4,599,331
Firecrackers	—	—	4,647,436	—	5,486,075
Hides (All Kinds)	Piculs	59,392	3,672,228	89,038	4,750,560
Leather (All Kinds)	—	—	796,483	—	936,580
Mats (All Kinds)	—	—	1,918,453	—	2,338,627
Matches	—	—	1,186,256	—	836,626
Rubber (Raw)	—	15,308	1,021,659	16,168	1,443,237
Trunks & Suit Cases	Piculs	—	1,287,311	—	1,423,655

APPENDIX F.

Total Value of Imports of Treasure (in $'s thousands).

	1938 $	1937 $	1936 $	1935 $	1934 $
Bank Notes	2,100	80,112	22,546	12,521	16,736
Copper Coins	1	421	193	6	157
Gold Bars	5,572	11,113	3,656	3,549	13,714
Gold Coins	90	331	—	—	—
Gold Leaf	9	8	6	5	15
Silver Bars	18	6,448	45	1,053	3,575
Silver Dollars	786	152,677	45,541	16,371	40,353
Silver Subsidiary Coins	1,025	135,339	741	5,280	3,531
Total:—	9,601	386,449	72,728	38,785	78,081

APPENDIX G.

Total Value of Exports of Treasure (in $'s thousands).

	1938 $	1937 $	1936 $	1935 $	1934 $
Bank Notes	35,851	18,178	24,757	12,620	13,296
Copper Coins	15	1,295	—	13	265
Gold Bars	48,538	10,979	33,218	28,330	69,869
Gold Coins	3,186	2,567	760	38	528
Gold Leaf	266	552	356	140	253
Silver Bars	1,600	5,986	26	100,857	9,191
Silver Dollars	52,385	268,150	67,496	70,685	31,341
Silver Subsidiary Coins	46,283	87,520	17,202	3,276	3,737
Total:—	188,124	395,227	143,815	215,959	128,480

APPENDIX H.

Wholesale Price Index.

1922 = 100.

	1933	1934	1935	1936	1937	1938
Foodstuffs	113.4	94.3	85.1	113.3	130.2	131.6
Textiles	97.0	85.9	74.2	99.4	117.7	116.1
Metals and Minerals	107.8	97.4	79.8	107.2	146.1	147.3
Miscellaneous Articles	95.7	88.5	72.3	92.5	124.4	127.3
Average:—	103.5	91.5	77.9	103.1	131.1	130.6

APPENDIX I.

Index Numbers of Quantities of Commodities imported into Hong Kong during 1934, 1935, 1936, 1937 and 1938.

1931 = 100.

	Items	1934	1935	1936	1937	1938
Building Materials	10	57.9	72.4	67.3	77.5	65.9
Chemicals & Drugs	18	91.8	84.9	55.7	133.8	93.0
Dyeing Materials	5	44.2	53.4	43.6	41.8	55.2
Foodstuffs	25	91.9	90.1	85.8	110.7	107.3
Fuels	5	115.3	122.6	118.1	126.8	119.3
Manures	2	21.7	48.2	101.1	141.9	88.7
Metals	30	69.3	88.7	82.9	120.7	62.3
Minerals & Ores	3	8.2	16.5	125.8	308.6	22.8
Nuts & Seeds	7	134.7	106.3	98.0	113.7	310.9
Oils & Fats	14	99.4	99.4	99.0	129.6	145.1
Textiles	37	79.4	79.0	68.4	59.8	83.0
Sundries	29	83.4	75.4	64.2	71.6	64.7
Total Items:—	185					
General Average:—		74.8	78.1	84.2	119.7	101.5

CHAPTER VIII.

Labour.

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Labour.

A new Factories and Workshops Ordinance, No. 18 of 1937, replacing the old Ordinance, No. 27 of 1932, came into operation on the 1st of January, 1938. The Chairman, Urban Council, replaced the Secretary for Chinese Affairs as Protector of Labour, and the Factory Inspectorate was transferred from the Secretariat for Chinese Affairs to the Urban Council. The new Ordinance gives to the Urban Council power to make by-laws in respect of industrial undertakings. A Select Committee of the Council deals with applications for the registration of factories and workshops and other matters arising out of the administration of the Ordinance. The By-laws in the Schedule to the new Ordinance prohibit the employment of any child under the age of fourteen years in any industrial undertaking and the employment of women and of young persons under the age of eighteen years between the hours of 8 p.m. and 7 a.m. No new By-laws were made during the year.

The Inspectorate, consisting of an Inspector of Factories and Workshops and an Inspector of Labour, deals with new applications for registration and pays periodic visits of inspection to all factories and workshops. Special attention is given to the safety of machinery, overcrowding of workers and machinery, obstructions to exits and the ages of workers. Night visits are frequently made to guard against the employment of females and young persons during prohibited hours.

All registered factories and workshops are inspected for renewal of registration during the early part of the year. 199 new certificates of registration were issued during the year 1938, bringing the total of registered factories and workshops up to 829. There were 45 prosecutions, including 23 for the offence of employing females and young persons during prohibited hours, and 19 for the offence of operating an unregistered factory. The total number of accidents reported was 141, of which 14 were fatal. Ten of the fatal accidents occurred in shipyards.

The year 1938 was quite outstanding in the industrial life of the Colony, the general improvement which set in in 1937 being well maintained. Hostilities in China caused many industrialists to turn their eyes to the Colony with a view to establishing themselves here. Consequently industries, hitherto unknown in the Colony, have come into being, for instance, the manufacture of war necessities such as gas masks. metal helmets, spades and entrenching tools, uniforms, water-bottles, the assembling of field telephones, and portable military transmitting and receiving sets. Other new industries are the manufacture of bicycles and tricycles, tabloid medicines, nails, postage stamps, bank notes, coupons, tooth brushes and pearl buttons. Many Shanghai workers were brought into the Colony for these trades, especially for printing, this finer craft being peculiar to the northern Chinese. The output of electric hand-torches, dry-batteries, rubber boots and shoes, cotton and silk goods, etc., mostly for Empire and oversea markets, was well maintained.

Many new factory-type premises have been erected and plans for more are in preparation. The general prosperity in some trades and the pressure exerted by the Health Authorities and the Factory Inspectorate have resulted in the removal of some factories from the tenement-house premises, which they formerly occupied, to new modern factory-type buildings. But the conversion of tenement houses into factories still remains a disquieting feature of the industrialization of the Colony, especially in view of the acute housing shortage due to the influx of refugees from China.

There was a good demand for skilled and unskilled male labour in the heavy industries. Female workers, too, were in demand, especially in the cigarette-making, spinning and weaving factories. The general supply of labour, skilled, unskilled and casual, is, however, in excess of the demand. It is difficult to state in what proportion this excess obtains at present owing to the abnormal conditions created by the Sino-Japanese hostilities.

It is estimated that about 55,000 workers of both sexes are employed in the various industries. Of these some 17,000 are spread over the less important industries. The approximate distribution of the remainder is as follows:—

Industries	Male	Female	Total
Shipyards	10,390	36	10,426
Sugar Refineries	871	81	952
Oil Refineries	449	12	461
Breweries	52	48	100
Metal Wares	1,756	2,170	3,926
Knitting Factories	1,710	5,035	6,745
Spinning and Weaving Factories	1,597	4,554	6,151
Engineering	674	4	678
Rubber Factories	599	1,420	2,019
Newspaper Factories	743	2	745
Printing Factories	3,664	703	4,367
Tobacco Factories	319	1,372	1,691
	22,817	15,394	38,211

Employment in the heavy industries, e.g. roads, reclamations, buildings, shipyards, etc., is on the contract system. Otherwise the piece-work or the monthly wage system is adhered to.

Trades Unions are freely permitted to function in the Colony, but at the present time there are no orthodox unions in existence. During the year under review there were about eight industrial disputes. These were of a minor nature, and in each case an amicable settlement was reached through the Secretariat for Chinese Affairs. No *bona fide* trade union has ever been suppressed in the Colony, but certain guilds and associations have from time to time been declared unlawful under the Societies Ordinance of 1920, mainly on account of terrorist and political activities. No such suppression took place during 1938.

The new Ordinance, No. 18 of 1937, referred to above, consolidated the law relating to factories and workshops. Articles 2 and 4 of the Draft Convention fixing the minimum age for the admission of children to industrial employment, and Articles 2 and 3 of the Draft Convention concerning the employment of women during the night, were introduced in that Ordinance.

The Minimum Wage Ordinance, No. 28 of 1932, created machinery by which a minimum wage may be fixed for any occupation, in which, in the opinion of the Governor-in-Council, the wages paid are unreasonably low. No minimum wages for any industry have yet been prescribed.

There is no legislation providing for the establishment of conciliatory machinery for the amicable settlement of disputes between employers and their work people, nor is there factory legislation controlling compensation for accidents or enforcing provision for sickness, old age, etc. Several European owned and controlled industrial undertakings have their private schemes of insurance, compensation in case of accidents or death, sick benefits and provident funds.

A Labour Officer was appointed in November, 1938. The status of this officer is at present undefined and his work up to the end of the year under review was largely in the nature of a preliminary survey. He is at present considering the application to the Colony of workmen's compensation legislation.

CHAPTER IX.

Wages and the Cost of Living.

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Wages and the Cost of Living.

The year 1938 showed a continued increase in trading activity until the Japanese invasion of South China in October resulted in the closure of the river and an interruption of the Colony's trade with the West River area. These conditions obtained during the remainder of the year. Prices remained remarkably steady throughout the year, with a general tendency to fall. There were exceptional price-movements, caused by temporary local conditions, but these were not maintained. The supply of labour increased considerably with the influx of refugees, but the general wage level was not depressed, the wage-rate of female workers in factories shewing an increase over the 1937 level. This steady level was the result of the demand for labour increasing with the supply. Many small industries moved into the Colony from China during the year and a great trade was done in the manufacture of small appliances required in large quantities by the Chinese Government. Payment continued to be by piece-work in the lower grades of work in light industries and in all mass production work, and this system appeared to be satisfactory to employers and employees. Skilled male labour was employed on daily pay. In the case of refugee northern workers housing and food were usually provided by the employer.

The chief factor in the slight rise in the cost of living was a general increase in rents. This increase, stimulated by the continued entry of refugees into the Colony and the acute shortage of vacant tenements, assumed alarming proportions in the first few months of the year. In March a Commission was appointed to investigate the whole question of rentals, and, as a result of this Commission's recommendations, legislation was introduced providing for appeal to the Courts by persons evicted without adequate cause.

There was a slight and fairly steady fall in the prices of commodities included in the cost of living index throughout the year. In the early part of the year the prices of fish, meat and vegetables were between 10% and 30% above the corresponding figures for last year and at the end of the year they were 10% or less below those figures. The October figures for vegetables showed an increase of 80% over the previous month. This was entirely due to the temporary dislocation of supplies caused by the Japanese invasion of South China at the end of the year. however, prices of vegetables later fell to the minimum for the year, which was about 8% lower than the corresponding figure for 1937. The price of oil, at the beginning of year, was about the same as the average level for 1937 and in the course of the year fell gradually to a point 30% below that figure.

The price of rice fell steadily throughout the year. For the first seven months it was not more than 9% above the corresponding figures for 1937, and for the last five months was consistently less than the 1937 figures.—the greatest falling off being 15% in August. The absolute variation during the year (14%) was considerably less than in 1936 or 1937 (23% and 25% respectively) and the interval between the two extremes was eleven months as compared with two months in 1937. The figures for rice are:—

	Per 100 catties.	*Average of four grades.*	
1938	December	January	Variatic
	$7.33	$8.38	14%
1937	June	August	Variatic
	$7.31	$9.16	25%

Average Retail Prices of the Staple Foodstuffs, etc., of Wage Earning Classes.

	1936	1937	1938
Rice (3rd Grade) per catty	6.3 cents	7.9 cents	7.3 cents

Fresh fish, per catty	20.9 cents	26.9 cents	24.4 cents
Salt fish, per catty	21.2 ,,	24.1 ,,	25.2 ,,
Beef per catty	32.8 ,,	36.8 ,,	37.6 ,,
Pork per catty	41.7 ,,	51.9 ,,	49.7 ,,
Oil per catty	23.7 ,,	28.3 ,,	22.2 ,,
Firewood, 10 cents for	12.2 catties	9.8 catties	7.0 catties

Average Rates of Wages for Labour.

Building Trade:—

Locomotive Driver	$1.30	to	$1.80	per day.
Carpenters	0.80	to	1.30	,, ,,
Bricklayers	0.80	to	1.30	,, ,,
Painters	0.80	to	1.30	,, ,,
Plasterers (including Shanghai Plasterers)	1.00	to	1.50	,, ,,
Scaffolders	1.00	to	1.50	,, ,,
Labourers (male)	0.60	to	0.80	,, ,,
,, (female)	0.40	to	0.50	,, ,,

Working hours 9 per day. Time and a half paid for overtime. Free temporary sleeping quarters provided on the building site and communal messing at cheap rates.

Shipbuilding & Engineering:—

Electricians	$1.00	to	$1.40	per day.
Coppersmiths	1.00	to	1.60	,, ,,
Fitters	0.80	to	1.55	,, ,,
Sawmillers	0.70	to	1.25	,, ,,
Boilermakers	0.95	to	1.20	,, ,,
Sailmakers	1.00	to	1.40	,, ,,
Blacksmiths	0.75	to	1.20	,, ,,
Turners	1.00	to	1.40	,, ,,
Patternmakers	1.00	to	1.40	,, ,,
Labourers	0.70	to	1.00	,, ,,

Overtime—time and a half. Night work—double time.

Transport Workers:—

Tram Drivers	$36 to $45 per month.
Tram Conductors	30 to 39 ,, ,,
Bus Drivers, Chinese Bus Co.	27 to 54 ,, ,,
Bus Conductors, ,, ,, ,,	18 to 21 ,, ,,

Working hours 9 per day. Free Uniform. Bonus at end of year 3 days' pay.

Bus Drivers, European Co.	$55.00 per month.
Bus Conductors ,, ,,	22.50 to $35 per month.

Working hours 9 per day. Free Uniform. One month's salary bonus.

Railway Workers (Government):—

Station Masters	$1,100 to $1,800 per annum.
Telephone Operators	480 to 1,400 ,, ,,
Booking Clerks	600 to 1,000 ,, ,,
Guards	600 to 1,000 ,, ,,
Signalmen	600 to 1,000 ,, ,,
Engine Drivers	540 to 1,000 ,, ,,
Ticket Collectors	420 to 600 ,, ,,
Firemen	330 to 480 ,, ,,
Pointsmen	192 to 240 ,, ,,

Female Workers in Factories:—

Cigarette making	$0.30 to $0.70 per day.
Knitting Factories	0.25 to 0.50 ,, ,,
Perfumery	0.20 to 0.40 ,, ,,
Confectionery	0.20 to 0.50 ,, ,,
Electric hand torch factories	0.25 to 0.45 ,, ,,
Electric hand torch battery factory	0.15 to 0.35 ,, ,,
Rope Works	0.42 a day.
Gunny Bag makers	0.30 to 0.50 per day.

Feather works	$0.30	to	$0.60	per day.
Joss stick workers	0.20	to	0.30	,, ,,
Printing works	0.20	to	0.80	,, ,,
Weaving and spinning	0.25	to	0.60	,, ,,
Rattan workers	0.30	to	1.00	,, ,,
Hardware workers	0.25	to	0.40	,, ,,
Felt hat workers	0.25	to	0.70	,, ,,
Cork hat workers	0.30	to	0.55	,, ,,
Green pea sorting	0.15	to	0.25	,, ,,
Handkerchief makers	0.20	to	0.40	,, ,,
Paper dyeing	0.20	to	0.40	,, ,,
Grass rope makers	0.30	to	0.35	,, ,,
Preserved fruit makers	0.15	to	0.60	,, ,,
Sugar refinery	0.35			,, ,,
Rubber shoe makers	0.35	to	1.05	,, ,,

Working hours from 7 a.m. to 5 p.m. One hour off at mid-day. Overtime from 6 p.m. to 9 p.m. at day rates.

Domestic Servants:—

Employed by Chinese	$ 7.00	to	$20.00	per month.
Employed by Europeans	15.00	to	40.00	,, ,,
Gardeners	15.00	to	30.00	,, ,,

With free lodging, and, with Chinese employers, generally free board.

Note:—The rates of pay of Government employees are much the same as those of a similar category in private employ.

Transport coolies	$0.60	to	$0.70	per day.
*Coal Coolies	0.55			,, ,,
*Ricksha Coolies	0.60	to	0.70	,, ,,

*Now reduced to 55 cents. Formerly business was better and up to $1.00 was paid in some cases. The reduction is reckoned to be due to business falling off and to a lessened cost of living.

CHAPTER X.

Education and Welfare Institutions.

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Education and Welfare Institutions.

Schools.

Education in Hong Kong is voluntary and is mainly in the hands of Government and of missionary bodies.

The present system may be said to have started in 1913 when the Education Ordinance, requiring all non-Government Schools (unless specifically exempted) to register and to conform to certain regulations, came into operation. The Director of Education derives his legal powers from this Ordinance. Since 1920 he has been advised by a Board of Education of which he is *ex officio* chairman. This board is appointed by the Governor and at present consists of eleven unofficial members together with the Senior Inspectors of English and Vernacular Schools.

The Schools in the Colony may be classified as follows:—

(1) Government Schools which are staffed and maintained by the Education Department.

(2) Grant Schools, i.e. schools, run mainly by missionary bodies, which are in receipt of a grant from Government under the provisions of the Grant Code.

(3) Subsidized Schools, i.e. vernacular schools which are in receipt of a subsidy from Government.

(4) The Military Schools and certain others which are exempted from the provisions of the Education Ordinance, 1913.

(5) All other Private Schools.

There are fourteen Government English Schools (i.e. schools in which English is the medium of instruction) of which four are for British pupils, though other European children may be admitted if vacancies are available. These are all primary schools with the exception of the Central British School which comprises both primary and secondary classes. The remaining three British Schools have, in addition, an infants' department. Of the other English schools, three are for secondary education, two for boys and one for girls, each having a primary department attached. The other Government English Schools are all primary, one of them being reserved for the education of Indians. The Government also provides four vernacular schools (i.e. schools in which Chinese is the medium of instruction). Of these one is a primary school, two are for training vernacular teachers, and one comprises both secondary classes and normal classes. There are two English vocational Schools, the Junior Technical School and the Trade School. In the latter, classes have been started in Wireless Telegraphy, Building and Engineering.

The English Grant Schools number sixteen, eight for boys and eight for girls, the latter admitting boys to the lower classes. The majority of these schools are managed by religious bodies. The sixteen schools provide both secondary and primary education, with the exception of two girls' schools, one of which is infant and primary, and the other infant.

There are three Upper Grade Vernacular Grant Schools, two conducted by the Church Missionary Society and one by the London Missionary Society.

A total of 1,243 institutions were under the control of the Education Department at the end of 1938, while there were six exempted schools. The number of pupils on the rolls of these schools was 103,564 and 570 respectively.

The Evening Institute, controlled directly by the Education Department, provides classes at seven centres in the following subjects:—English, Field Surveying, Building, Engineering, Ship-building, Pedagogy (English and Vernacular), Book-Keeping, Shorthand, and Physical Instruction. 1,243 students were enrolled in these classes during 1938.

At present the training of teachers for English schools is carried out in the Education Group of the Faculty of Arts at the University of Hong Kong, and in the Teachers' Classes of the Evening Institute. At the end of 1938 there were sixty-six students in the Education Department of the University of whom nineteen held Government Educational Scholarships which are awarded annually. The Teachers' Classes in the Evening Institute provide a three-year course. The Training of Vernacular Teachers is undertaken in the following four institutions:—

(a) The Evening Institute.
(b) The Normal School for Men at the Vernacular Middle School.
(c) The Vernacular Normal School for Women.
(d) The Vernacular Normal School at Taipo (New Territories).

It is proposed that a new Teachers' Training College shall be opened during the course of the present year.

There are in the Colony four orphanages and one home for incurables and aged women, all of which are controlled by religious communities. There are two industrial schools which are under the control of the Salesian Institute.

The School Health Branch of the Medical Department came into being in 1925 when a Medical Officer for Schools was appointed. This has now been expanded and consists of a European Health Officer for Schools, two Chinese Medical Officers, one European Lady Medical Officer (part-time) and five nurses. Three school clinics and two special centres for the treatment of eye, throat and nose defects have been established. Pupils in Government and Grant-in-Aid Schools are now medically examined initially and periodically through their school career, while the provision of free spectacles for those requiring them has been made possible.

In 1937 a Supervisor of Physical Education was appointed and physical training is proceeding along organized lines. The regulations require that every boy and girl in Government and Grant Schools shall receive a minimum of one hour's training each week in addition to organized games.

As only a few schools in the Colony are fortunate enough to possess adequate playing fields it has become necessary to rely on the generosity of the numerous sports' clubs for the use of grounds for football, cricket, and hockey. These clubs, established for all nationalities, willingly place their grounds and equipment at the disposal of schools when required.

The University.

The University of Hong Kong, which was incorporated in 1911 and formally opened in 1912, reached the twenty-sixth year of its existence in the year under review. The buildings, including class-room accommodation for about 500 students, six hostels, laboratories, residences for the staff, the students' Union, a gymnasium, workshops and playing fields, occupy an area of thirty-six acres.

The Court, the supreme governing body, is composed of life members, ex officio members, and nominated members, with the Governor as Chairman. The Council, which is the executive body, is composed of the Chancellor, the Vice-Chancellor, the Treasurer, certain Government officials, the Chinese members of the Legislative Council, the Deans of Faculty, two representatives of the commercial community, and two additional members appointed by the Governor. The Senate consists of the Vice-Chancellor, the Director of Education, the Professors and Readers. There are three Faculties—Medicine, Engineering and Arts. The Arts Faculty includes a Department of Chinese Studies. The Degrees granted are M.B., B.S., M.D., M.S., B.A., M.A., B.Sc. (Engineering), M.Sc. The standard aimed at is that of the University of London.

All male students are required, as a condition of admission, to reside in halls of residence provided by the University or in hostels founded by religious bodies and conducted under regulations approved by the Council. The tuition fee is $400 a year and the hostel fee, which includes board and lodging, $300 a year. It is estimated that it costs a student $1,500 a year at the University. This sum includes registration and laboratory fees, Union and club fees, books, instruments, clothes and vacations.

538 students were on the rolls during 1938. This was the highest enrolment recorded in the history of the University. The large majority of these students were of Chinese nationality, and 40% of them were obliged to relinquish their studies in Chinese universities on account of the Sino-Japanese hostilities.

Since September, 1938, facilities have been afforded to 500 refugee students of Lingnan University, Canton, to continue their studies under their own professors and lecturers at Hong Kong University.

Of the 536 regular students in 1938, 418 were men and 118 women students distributed as follows:—

	Men	Women
Medicine	187	24
Engineering	129	3
Arts	88	85
External students	14	6
Total	418	118

The number of students who graduated during 1938 is shown below:—

	Men	Women
Medicine (M.B., B.S.)	11	1
Engineering (B.Sc.)	7	—

	Men	Women
Arts (B.A.)	5	1
	23	2

The total expenditure amounted to $1,078,155.49 and the total income to $1,050,841.45 leaving a deficit of $27,314.04 on the year's working. This deficit will be met from the credit balance of the Income and Expenditure Account of previous years, which stood at $110,474.57 at the beginning of 1938. Owing to the large increase in the number of students during 1938 the accommodation available in the six halls of residence for men was tested to its limits. The question of the provision of hostel accommodation for women forced itself on the immediate attention of the University authorities during 1938. A scheme for the construction of a hostel for women students in the vicinity of the University is likely to materialize in the near future, owing to an offer of the Mother Provincial of the French Convent, Hong Kong, to build, equip and conduct a hall of residence for fifty women students, if a suitable site is provided for the purpose. In the meantime the majority of the women students live with parents and guardians, residential facilities for about thirty being provided by the Church Missionary Society and the Italian Convent.

The General Library, which includes the Morrison Collection and the Medical Library, contains 45,450 volumes. The Fung Ping Shan Chinese Library includes 4,895 sets of books and 43,681 volumes and is open to the public without restriction. The Hankow Library which was acquired in 1933 includes a unique collection of some 3,000 volumes written in English, French and German, dealing with China and things Chinese. Three valuable private collections, comprising 7,551 sets and 62,767 volumes, are housed in the Fung Ping Shan Library for safe keeping. Special arrangements were made during 1938 for extending facilities to the Lingnan University for the use of the Library.

The University continues, through the activities of its various Societies and organizations, literary, technical, social and sporting, to maintain and promote contact with the general and cultural interests of the Colony. During 1938 the Chinese Society organized two very successful exhibitions of Chinese Porcelain and Painting held in the Fung Ping Shan Library. The University Libraries, particularly the Hankow Section, were increasingly used by the public, and University buildings and rooms were made available for public lectures, for the use of musical societies, and for use as centres for examinations conducted by the Trinity College of Music, and by the Government Nurses Board. The University laboratories and departments continue to carry out important tests and investigations for hospitals in the Colony and for the X-Ray Department of Queen Mary Hospital. Mention may also be made of the work done by the Head of the Department of Physiology (Professor Ride) in connection with the nutritional survey of the Colony, and by the Economic Department (Miss Archer) on the cost of living. Mr. S. Y. Lin's report on Fisheries is mentioned in Chapter VI. There are several publications of professional and literary interest issued by the various University societies.

Students of the University have identified themselves with social and charitable work as is shewn by the Education Society's Free Night school for poor boys, the provision by the Athletic Association of the University Union of a play-ground for the use of the Pokfulum Boys' Club, and the participation by students in relief work among Chinese refugees at the camp at Shumchun during the Christmas vacation, 1938. During 1938 a sum of about $15,000 was distributed by the University Students Medical Relief Association. The members of the

Alumni Association also gave practical evidence of their continued interest in their University by providing funds for a new hard tennis court. Similar Associations are in active existence in Shanghai, the Straits Settlements and the Federated Malay States.

As a result of the findings and recommendations of the University (1937) Committee, the organization and financial position of the University formed the subject of close investigation by the Court of the University. Important changes and developments are under consideration. The provision of a block of Science buildings and the inauguration of a Faculty of Science are contemplated, and a new diploma course for teachers is to be instituted. Considerable expenditure will be involved and the need for augmenting the resources of the University is prominently indicated.

Welfare Institutions.

Practically every form of sport is played in the Colony the most popular being Association Football in winter and swimming in summer. Hockey has become increasingly popular during recent years. Lawn Tennis and Golf are played throughout the year. In addition the following are followed with the keenest interest:—Cricket, Rugby Football, Badminton, Baseball, Volley Ball and Athletics.

The Colony is well provided with social clubs for all nationalities. Among the most prominent may be mentioned the Philharmonic and Amateur Dramatic Societies both of which produce at least one play each year. The Hong Kong Branch of the English Association, the Hong Kong Singers and the Hong Kong Rotary Club all contribute in their own way to the social life of the Colony. For lovers of flowers and gardening the Horticultural Society and the New Territories Agricultural Association provide an outlet for enthusiasm. There are local branches of the Young Men's and Young Women's Christian Associations which provide recreation and accommodation. A public library is housed in a portion of the former City Hall and is used mainly by Chinese, the European community obtaining reading matter from libraries run in connection with the clubs of which they are members.

The influx of a large number of refugees into the Colony as a result of the Sino-Japanese hostilities has brought the local charitable organizations into even greater prominence. The work, for instance, of the Society for the Protection of Children has been increased. The Hong Kong Benevolent Society and the Ministering Children's League both continue to do excellent work. Charitable associations connected with Churches, etc., are all helping in the very necessary relief work. The work of the St. John Ambulance Association and Brigade has been greatly extended, especially in the New Territories where at least nine additional centres have been established.

CHAPTER XI.

Communication and Transport.

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Communication and Transport.

External.

SHIPPING.

Hong Kong has one of the finest harbours in the world. It is, in normal times, the chief shipping terminus between South China and the outside world. Regular services are maintained by shipping companies of every maritime nation bringing merchandise, raw materials and passengers destined for all parts of China. The following are details of the Colony's chief sea communications:—

The P. & O. Steam Navigation Co., Ltd., Messageries Maritimes Cie, Blue Funnel Line, Norddeutscher Lloyd, Lloyd Triestino and Nippon Yusen Kaisya to the United Kingdom and Europe.

The Blue Funnel Line, Osaka Syosen Kaisya, Nippon Yusen Kaisya and American President Lines, Ltd. to the United States of America.

The Canadian Pacific S. S. Ltd. and the Blue Funnel Line to Vancouver B.C.

The Eastern and Australian Line, Australian Oriental Line, Burns Philp Line, Nippon Yusen Kaisya and Osaka Syosen Kaisya to Australian ports.

The Java-China-Japan Line and the Royal Packet Navigation Co. (K.P.M. Line) to Java and other ports in the Dutch East Indies.

The Indo-China S.N. Co., Ltd., China Navigation S.S. Co., and other small lines to ports on the east and south coast of China and Formosa.

The British India, Shire, Glen and Bank Lines also call at Hong Kong.

The River Service to Canton and the West River, previously run by the Hong Kong, Canton & Macao Steamboat Co.'s ships and other smaller companies, is now at a standstill on account of the Sino-Japanese hostilities.

In addition, there is normally a vast traffic between Hong Kong and the adjacent provinces of China by junk. This, at present, is much depleted.

The total shipping entering and clearing ports in the Colony during the year 1938 amounted to 67,007 vessels of 30,962,756 tons. This, compared with 1937, shewed a decrease of 6,250 vessels and 6,868,004 tons.

24,670 vessels of 29,530,384 tons were engaged in foreign trade compared with 33,782 vessels of 36,191,724 tons in 1937. British ocean-going shipping shewed a decrease of 326 vessels and 312,456 tons. Foreign ocean-going shipping shewed a decrease of 2,070 vessels and 5,133,209 tons.

British river steamers shewed an increase of 276 vessels and 402,207 tons. Foreign river steamers shewed a decrease of 1,191 vessels and 614,251 tons. Steamships, not exceeding 60 tons, in foreign trade shewed a decrease of 2,497 vessels and 57,359 tons.

Junks in foreign trade shewed a decrease of 3,304 vessels and 946,272 tons.

In local trade, steam launches shewed a decrease of 307 vessels and 1,094 tons, and junks shewed an increase of 3,169 vessels but a decrease of 205,570 tons.

AVIATION.

Hong Kong Airport is situated at Kai Tak and has facilities for marine and land aircraft. The equipment of the airport includes W/T and R/T (short and medium wave) and D/F, aeronautical meteorological service, administration building, offices and workshops of operating companies, fuel and oil installations with tankage for some 7,000 gallons of petrol, and full night flying facilities for land aircraft, including a 1,200,000 c.p. floodlight installed during 1938. A new terminal building has been constructed for traffic arriving by flying boat services; a slipway, pontoon and special mooring buoys are available for marine aircraft.

The continued growth of civil aviation caused a large increase in the amount of traffic handled at Kai Tak Airport, for example, the number of passengers arriving and departing has risen from 3,685 in 1937 to 9,969 in the year under review. Hong Kong was included in the Empire "all-up" air mail scheme in September, and from that date Imperial Airways Ltd. operated its service to Bangkok twice instead of once weekly and services were often duplicated. In August Air France extended its Paris-Hanoi service to Hong Kong. The following air lines now maintain regular schedules from the airport:—

Imperial Airways Ltd., twice weekly to Bangkok, connecting with the England-Australia trunk route.

Air France, once weekly to Paris, via Hanoi.

Pan American Airways, once weekly to San Francisco via Manila.

China National Aviation Corporation and Eurasia Aviation Corporation, to Kweilin and Chungking.

The fall of Hankow and Canton to the Japanese meant that air services to these towns could no longer be operated, but very heavy loads of passengers and mails are carried to those places in China still accessible by air.

The Far East Flying Training School Ltd. maintained a fleet of five aeroplanes during the year which flew a total of 1,900 hours, including the training of the Air Arm of the Hong Kong Volunteer Defence Corps, the training of six Reserve of Air Force Officers and 28 pupils, and 160 hours for Army Co-operation purposes. Twenty-six Government certificates were awarded to pupils of the engineering section of the company.

No accident to aircraft causing injury to personnel occurred within the Colony.

The appendix to this chapter is a statement of the number, tonnage, cargo, passengers and crew of aircraft arriving at Hong Kong Airport during the years 1936, 1937 and 1938.

RAILWAY.

Railway activities throughout the period under review were dominated by the Sino-Japanese conflict. Before the Japanese invasion of South China the Kowloon-Canton Railway was connected up with the Canton-Hankow Line. Several times during the earlier part of the year through trains were run between the Colony and Hankow. The year opened full of promise, due to the unparalleled growth of through goods traffic, and closed gloomily with the contraction of operations to the local service.

Receipts and net operating revenue were $1,901,883.32 and $932,418.48 respectively, as against $1,331,468.73 and $436,935.30 in the previous year. Both these figures reached new high levels. There is little doubt that, but for the unexpected stoppage of through traffic for the last 81 days of the year, net operating revenue would have exceeded $1,000,000.

The increase in operating expenditure is accounted for largely by the marked advance in the average price of coal which rose from $12.44 to $21.96 per ton and affected running costs to the extent of $110,668.37.

In order to cope with the abnormal conditions prevailing during the greater part of the year the Railway was called upon to solve many difficult problems, not the least among them being the utilization to the best advantage of an organization which had been built up to cater primarily for passenger traffic. A heavy strain was put upon the resources of the Department, calling for the utmost effort from the staff and a maximum use of rolling stock.

The value of the results obtained during the year cannot accurately be gauged by comparison with previous figures owing to the abnormal conditions which affected, to a marked extent, both through and local traffic receipts. Consequent on the blockade of Chinese ports by the Japanese and the closing of the Yangtze in 1937, Hong Kong became the main entrepôt for foreign trade with China, and large quantities of cargo were conveyed by rail to and from the interior. Further stimulation was obtained through an increase in the Colony's resident population owing to the influx of refugees. On the other hand, intensive bombing of the Chinese section of the line caused considerable dislocation and curtailment of the through passenger service with a corresponding drop in receipts from that source. This state of affairs continued until the 12th of October when all through traffic ceased after a small bridge at Mile 52 on the Chinese section had been hit by a bomb. Repairs were uncompleted when the Chinese military forces blew up all major railway structures before the Japanese capture of Canton on the 21st of October. For the remainder of the year railway operations were confined to the local service, the northern terminal being withdrawn to Lowu which lies just within British territory.

Receipts from through passenger traffic declined by 50.46%, due to the circumstances outlined above, although the earnings per train mile improved from $10.45 to $16.17. The curtailment of the service resulted in only 622 express trains being run, as against 2,235 in 1937.

The outstanding traffic feature of the year was the phenomenal growth of through goods traffic. Railings aggregated 456,146 tons compared with 166,438 tons in 1937, and 60,732 tons in 1936, corresponding revenue being $621,787.28, $167,556.45, and $44,694.93.

An encouraging feature of the year's activities was the volume of export traffic received at Kowloon. Despite the abnormal conditions prevailing in Kwangtung and Hunan, large quantities of wood oil, tea, antimony, firecrackers, cotton flax, wolfram and zinc were exported to Hong Kong. This, coupled with the number of applications received from commercial firms for wagon space, would appear to indicate that, in times of peace, the future prosperity of the Railway is assured.

Local passenger receipts appreciated to the extent of 61.71%. This substantial growth is ascribable to the increase in resident population. The gain during the first 9½ months of the year approximated 50%, and during the last 2½ months 118%.

POSTS AND TELEGRAPHS.

Postal communication is maintained with all parts of the world by air, sea, and, in normal times, with Canton by rail.

All forms of mail handled during the year under review shewed an increase on the amount handled during 1937, ordinary mail receptacles shewing an increase of 4%, and registered articles and parcels shewing an increase of over 40%.

Long distance telephone services are normally available to Shanghai, Canton and various places in China.

Cable & Wireless Limited, by means of three cables to Singapore, one direct and one each via Labuan and Cape St. James, provide good connections with Europe via India, with Australasia, and with other parts of the British Empire. By their cable to Manila connection is made with the direct American cable to San Francisco. Two cables to Shanghai, belonging to Cable & Wireless Limited and to the Great Northern Company (Danish), via Sharp Peak and Amoy respectively, give a good fast connection with Shanghai, North China, Japan and Russia. The system of the Great Northern Telegraph Company gives good service to Europe via Siberia.

Cable & Wireless Limited also operate the direct commercial radio services to the Chinese stations at Chengtu, Chungking, Foochow, Shameen, Swatow, Tsangwu and Yunnanfu; to Dutch East Indies, French Indo-China, Formosa, Macao, Philippines, Siam and Shanghai.

The total revenue from the Government Wireless Telegraph service amounted to $126,902 as compared with $976,923 in 1937; a decrease of $850,021 due to the transfer of the commercial fixed point services to Cable & Wireless Limited as from the 1st of January, 1938.

The number of paid messages—mobile and commercial press services—forwarded and received during the year was 56,883, consisting of 4,568,023 words, as compared with 20,946 messages of 195,744 words in 1937; the increase being due to press services taken over by Government.

Unpaid traffic, which includes meteorological, police, anti-piracy, Rugby press, aircraft and air station operational messages etc., totalled 87,815 messages of 3,077,842 words as against 86,694 messages of 3,354,570 words in 1937.

Service messages totalled 4,684 consisting of 49,433 words as compared with 47,078 messages of 373,497 words in 1937; the decrease being due to the transfer of the commercial fixed point services.

Internal.

RAILWAY.

After the 12th of October, 1938, rail communication by the Kowloon-Canton Railway was limited to the section of the line within British territory.

Co-ordination between road and rail interests was obtained when a motor rail-bus commenced a shuttle service between Fanling and Taipo Market on the 1st of May, displacing the road buses which had performed a similar function since the 1st of November, 1932. At the same time both transportation systems were made supplementary by the linking up at Fanling Railway Station of the Un Long—Sheung Shui and the Shataukok—Fanling bus services. The rail-bus was constructed at the Hung Hom locomotive workshops on novel lines, two Bedford 3-ton lorry chassis being welded back to back and fitted with cast steel wheel discs to supplement the pneumatic tyres. The financial results were most gratifying, and it is probable that the profits from two years of operation will exceed the capital outlay.

ROADS.

There are 371 miles of roads in the Colony, 173 miles on the Island of Hong Kong, 106 miles in Kowloon and 92 miles in the New Territories. Of the total mileage, 227 miles are constructed of water-bound macadam dressed with asphalt, 11½ miles of sheet asphalt on a cement concrete foundation, 29½ miles of tar macadam, 55 miles of concrete, 3 miles of granite setts and wooden blocks on a cement concrete foundation and 45 miles of earth.

The public travelling over the Colony's roads increases yearly, with a corresponding growth in the number of motor buses, of which there are 98 operating on the Island of Hong Kong, and 133 on the mainland. These are gradually replacing rickshaws, the number of which decreases year by year.

The Hong Kong Tramway Company has a fleet of 103 double-deck tram-cars running along the sea-front of Victoria from Kennedy Town to Shaukiwan. The length of the Hong Kong Tramway tracks is about 10½ miles.

There were 4,009 private motor-cars, 291 motor-cycles, 350 public cars and taxis and 945 commercial lorries and vans registered in 1938.

FERRIES.

Communication between the Island of Hong Kong and the mainland is maintained by a number of ferry services, of which the most important are:—

(1) The Star Ferry, between Kowloon Point and a pier near the General Post Office, Hong Kong. This ferry provides a 5-minute passenger service during the busy periods of the day and a 10-minute service at other times. The passage of just under one mile is negotiated in about 8 minutes.

(2) The Hong Kong and Yaumati Ferry Company, which operates passenger ferry services between Hong Kong and Jordan Road, Shan Tung Street, Pei Ho Street, Gillies Avenue, and Kai Tack Road, all in Kowloon; also to Sai Wan Ho, near the eastern end of Hong Kong harbour. This Company also operates a 12-minute vehicles ferry service between Hong Kong (Jubilee Street) and Kowloon (Jordan Road).

(3) The New Territories Ferries. From a pier situated near Wilmer Street, Hong Kong, the Hong Kong and Yaumati Ferry Co. maintain regular ferry services to the following places which are outside the harbour limits:—Cheung Chau Island, Tsun Wan on the mainland, Ma Wan Island, Castle Peak Bay on the mainland, Ping Chau Island and Silver Mine Bay, Tung Chung and Tai O which are situated on the Island of Lantao, and also to Aberdeen, a port on the Southern side of the Island of Hong Kong.

The number of vehicles of all classes carried in 1938 was approximately 180,000, while the total number of passengers carried by all ferry services between Hong Kong and Kowloon was about 48,000,000.

TELEPHONES.

The general telephone service is a public service provided by the Hong Kong Telephone Co., Ltd. An automatic system is maintained with over 16,000 subscribers. In addition there is a Government system of magnetic telephones, which has two main exchanges, in Victoria and Kowloon, and forty-three branch exchanges. This system, which consists of approximately 800 telephones, has intercommunication facilities with the Hong Kong Telephone Company's system.

Number, tonnage, cargo, passengers, and crews of aircraft of each nation arriving at airports in the Colony of Hong Kong in the years 1936, 1937 and 1938.

NATIONALITY OF AIRCRAFT.	ARRIVING.														
	AIRCRAFT			PASSENGERS.			CREW.			GOODS, MAILS, AND EXCESS LUGAGE TONS			AIRCRAFT. TONNAGE.		
	1936	*1937*	*1938*	*1936*	*1937*	*1938*	*1936*	*1937*	*1938*	*1936*	*1937*	*1938*	*1936*	*1937*	*1938*
British	52	65	116	37	49	150	113	130	232	6.5	17.0	38.4	217.0	335	622
Chinese	65	292	458	77	1,581	5,330	125	784	1,802	0.4	122	50.6	275.0	2,092	4,547
German	1	—	—	—	—	—	6	—	—	—	—	—	9.0	—	—
American	1	37	35	19	292	325	4	227	274	—	11	6.5	22.50	671	841
French	2	1	24	2	2	201	5	3	94	—	—	1.0	7.75	6	247
Czechoslovakia	—	1	—	—	5	—	—	3	—	—	—	—	—	6	—
Latvia	1	1	—	—	—	—	1	1	—	—	—	—	1.0	1	—
Java	—	1	—	—	—	—	—	2	—	—	—	—	—	1	—
Filipino	1	—	—	—	—	—	2	—	—	—	—	—	1.25	—	—
Total	123	398	633	135	1,929	6,006	256	1,150	2,402	6.9	150.0	96.5	533.50	3,112	6.257

CHAPTER XII.

Public Works.

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Public Works.

During the year under review the operations of the Public Works Department were carried out, under a Head Office Staff, by eleven sub-departments: Accounts and Stores (later, Accounts), Architectural, Buildings Ordinance, Crown Lands and Surveys, Drainage, Electrical, Port Development, Roads and Transport, Valuations and Resumptions, Waterworks Construction and Waterworks Maintenance.

As from the 1st June, 1938, all work in connection with the purchase of Government stores was removed from the Public Works Department, and was taken over by an independent Stores Department.

The staff of the Public Works Department comprises 148 European officers, including 9 temporary officers, and 557 non-European officers, including 12 temporary officers. The number of daily paid artisans and labourers averaged 1,778.

The following is a summary of works carried out during the year:—

Buildings.

The reinforced concrete frame of the New Central Market was completed by the end of the year when work was well advanced on the erection of the stalls, the application of the terrazzo wall finishings, the fixing of windows and the drainage work. This building is of four storeys with main entrances on Queen's Road and Des Voeux Road. At the Des Voeux Road entrance a passenger lift will be provided and the entrances for goods will be on Jubilee Street and Queen Victoria Street. The Wongneichung Market was completed in October. It is a small single storey market of the open type, in reinforced concrete, providing twenty stalls finished in terrazzo. Extensive alterations and additions were carried out during the year to the former Victoria Hospital, converting the Hospital block and the Nursing Sisters' quarters into quarters for senior officers. The Hospital block was converted into three flats of five rooms and one flat of four rooms. The Nursing Sisters' quarters were converted into two semi-detached houses. Following the Japanese invasion of South China camps to house refugees from the neighbouring Chinese territory were erected at North Point, King's Park and Ma Tau Chung. These camps, of timber construction with concrete floors, consist of 26, 24 and 27 huts respectively, providing accommodation for 1,512, 1,368 and 2,016 refugees. Because of the uncertain political and economic situation it was decided not to proceed with work on the New Mental Hospital and the New Ward Block D, Kowloon Hospital. Owing to pressure of other architectural work it was not found possible to commence work during the year on the new Central Government Store, for which $205,000 had been provided in the Estimates for 1938.

Roads.

Among the more important road works completed during the year were the super-elevation of the bends on the Wong Nei Cheong Gap and Castle Peak road, the building of the Customs Pass Road and the road from Sheung Shui to Mak Fu Ferry, the widening and surfacing of the Tai Po Road and the reconstruction of the bridge at Deep Water Bay.

Major works in hand at the end of the year included the reconstruction of the junction of Hennessy Road, Arsenal Street and Queen's Road East, the reconstruction of MacDonnell Road Bridge, and widening, resurfacing and super-elevating several major roads on the island and on the mainland.

Drainage.

In Hong Kong new main sewers and storm water drains to a length of 5,522 feet and new open channels of varying sections to a length of 851 feet were laid. In addition, 1,114 feet of parapet walling to open nullahs was constructed, and Tai Hang Nullah bridge was reconditioned, strengthened and extended. In Kowloon, New Kowloon and New Territories, new main sewers and storm water drains were constructed to a length of 12,923 feet. The construction of Pat Heung nullah at Shek Kong, New Territories, commenced in 1936, was completed at the end of the year.

Anti-malarial work was continued in Hong Kong. An area between the two reservoirs at Aberdeen was completely drained, and work was continued at Pokfulam between the Queen Mary Hospital and Sandy Bay. In New Kowloon 935 feet of channel were laid and subsoil drains were completed to a length of 2,162 feet.

Waterworks.

In Hong Kong 17,000 feet of mains, of various sizes, were laid. At Repulse Bay a covered concrete service reservoir of 56,000 gallons was constructed. Steel plate balance tanks, each of 30,000 gallons capacity, were erected at Tai Hang and Kennedy Town. A third pressure filter was installed for the Stanley supply.

In Kowloon and New Kowloon 17,000 feet of mains were laid, and 15,000 feet were laid in the New Territories.

Remedial measures at Pineapple Pass Dam were carried out by the Consulting Engineers. The work consisted mainly of removing the sand wedge and substituting 4,405 cubic yards of cement concrete. As the Jubilee Reservoir did not fill during the year no opinion as to the efficacy of the measures taken could be formed.

The rainfall during the year amounted to 55.36" which, with one exception, is the lowest ever recorded in the Colony. As a result the main storage reservoirs did not fill, and the water supply to Hong Kong and Kowloon was subjected to restrictions from August until the end of the year.

The formation of a waste detection branch of the waterworks sub-department was proceeded with during the year. Additional staff, waste detection meters, etc., were provided, and a zoning scheme was worked out. Unfortunately the water restrictions after August greatly hampered the carrying out of night tests.

A new Waterworks Ordinance was prepared and passed in 1938, to take effect from the 1st of January, 1939.

Work in connection with the general extension of the Colony's waterworks, approved in 1937, was proceeded with. The pumping stations and pipe-lines for the supplies to Albany and Peak Road were practically completed, and construction of the Peak Road service reservoir was commenced. The two new 21" cross-harbour pipe-lines were about one-third completed. Kowloon Chai Service Reservoir was commenced. Extensions to the distribution system of the island and mainland were made. The first section of the Shing Mun Catchwater was completed and the second commenced. Preliminary works for the supply and distribution mains for Kowloon Chai Service Reservoir, and for the rapid gravity filters at the Eastern Service Reservoir, were put in hand. Preliminary investigations in connection with the Tai Lam Chung Valley Scheme were commenced.

Reclamations.

Reclamations at North Point, Kennedy Town and Kun Tong were continued. The two former are being made by deposits of building debris; the last-named by deposits of town refuse. The areas reclaimed by the end of the year were 3.4, 2.4 and 12 acres respectively.

Electrical Works.

Two submarine cables between Victoria and Kowloon, which had been dragged eastward, were under-run and restored to their proper position. Repairs were carried out to the submarine cable to Green Island. The cable to Waglan was also damaged but weather conditions did not permit repairs to be completed in 1938.

A new landing floodlight was installed at Kai Tak Airport. Extensive electrical work was carried out at the Refugee camps at North Point, Ma Tau Chung, King's Park and Kam Tin. A private intercommunication telephone system was installed in the Colonial Secretariat. The Electrical Workshops were removed to premises in Arsenal Yard.

Buildings Ordinance Office.

Early in the year the building industry began to show signs of recovering from the slump from which it had suffered during the past four years. The disturbed conditions in China have given an impetus to the erection of European flats and of buildings of a non-domestic character.

Valuations and Resumptions.

The total valuations made during the year comprised 773 hereditaments, with a total estimated value of $8,082,845.35.

Valuations were made for the purpose of resumption for street widenings and the development of areas in accordance with the approved Town Planning Scheme, for anti-malarial works, Estate Duty and sundry other purposes.

Valuations comprising 463 hereditaments, with a total estimated value of $7,127,500.50, were made for sundry Government Departments.

Town Planning.

A tentative revised plan was prepared for the Government House and Offices area. No other new schemes or revisions of any importance were prepared during 1938, development having been in accordance with the recommendations of the Town Planning Committee of 1922 or with amendments and additions previously reported.

Expenditure.

The average annual expenditure on Public Works for the decade 1909 to 1918 was $2,293,762; 1919 to 1928, $6,990,950; 1929 to 1938, $8,507,690.

Comparative expenditure for 1937 and 1938 is as follows:—

	1937	1938
Public Works Department	$2,436,112.31	$2,213,667.71
Public Works Recurrent	1,768,369.96	1,811,168.55
Public Works Extraordinary	1,510,298.07	1,899,902.40
Works undertaken and charged to Loan Accounts	747,506.81	1,657,596.33
Miscellaneous Works	734,730.07	555,649.47
Totals	$7,197,017.22	$8,137,984.46

CHAPTER XIII.

Justice and Police.

CHAPTER XIII.

Justice and Police.

The Courts of Hong Kong.

THE SUPREME COURT.

There are at present two permanent Judges, a Chief Justice and a Puisne Judge, whilst additional judges for purposes of certain appeals are temporarily appointed as and when required.

The Supreme Court has the same jurisdiction as His Majesty's Courts of King's Bench, Common Pleas and Exchequer lawfully have or had in England and is a Court of Oyer and Terminer and Gaol Delivery, Assize and Nisi Prius, with jurisdiction in Probate, Divorce, Admiralty, Bankruptcy and Criminal matters.

It is also a Court of Equity with such and the like jurisdiction as the Court of Chancery has or had in England, and has and executes the powers and authorities of the Lord High Chancellor of England with full liberty to appoint and control guardians of infants and their estates and also keepers of the persons and estates of idiots, lunatics and such as, being of unsound mind, are unable to govern themselves and their estates.

The practice for the time of the English Courts is in force in the Colony and such of the laws of England as existed on the 5th of April, 1843, are in force in the Colony except so far as the practice and laws are in applicable to local circumstances and subject to legislative modifications thereto.

All civil claims above the sum of $1,000 are heard in the Court's Original Jurisdiction as well as all miscellaneous proceedings concerning questions arising on estates, appointments of trustees, company matters, etc.

196 actions were instituted in this jurisdiction during the year 1938 as against 172 in 1937.

All civil claims from $5.00 up to and including $1,000 are heard in the Court's Summary Jurisdiction by the Puisne Judge as well as all matters arising from distraints for non-payment of rent.

1,383 actions were instituted during the year as against 1,582 in 1937.

All cases in the Probate, Divorce, Admiralty and Bankruptcy Jurisdictions of the Court are heard by the Chief Justice; Bankruptcy sittings usually taking place once a month.

In its Probate Jurisdiction, 432 grants (180 Probates and 252 Letters of Administration) were made by the Court. 77 grants by other British Courts were sealed, making a total of 509 grants made during the year compared with 402 in 1937.

Six new Petitions for Divorce were filed during the year. Eight decrees were made absolute, including four petitions pending at the end of 1937. Two petitions were pending at the end of 1938.

Only three actions were instituted in the Court's Admiralty Jurisdiction during the year.

Criminal cases are first heard by the Magistrates and committed to the Criminal Sessions which are held once every month and the cases are usually divided between the two judges.

426 persons were committed to stand their trial at the Criminal Sessions of whom 347 were convicted. Two defendants failed to appear and Bench Warrants were issued for their arrest, their bail being estreated.

A right of appeal exists in all the above jurisdictions. Appeals are heard by a Full Court consisting of two or more judges. Under the Magistrates Ordinance, 1932, as amended by Ordinance No. 19 of 1935, any person aggrieved can appeal to a judge from the decision of a magistrate in a summary way. Appeals in this event are heard by a single judge although a right of appeal from the single judge to a Full Court exists.

Criminal: There were seven appeals against conviction or sentence on indictment at the Criminal Sessions.

Magistrates: There were thirteen appeals against conviction or sentence by the magistrates.

Civil: There were eight appeals from judgments of the Supreme Court judges.

The Registrar of the Supreme Court also acts in the capacity of Official Trustee, Official Administrator and Registrar of Companies, administering trust estates and deceased's estates and registering companies under the Companies Ordinance, 1932. Bills of Sale are also registered with the Registrar.

The number of Trust Estates in the hands of the Official Trustee at the end of the year was twenty-one.

During the year twenty-five deceased's estates were taken into the custody of the Official Administrator and thirty-seven were wound up.

Eighty-four new companies were registered, bringing the total number of companies on the register at the end of the year to 764 of which nine were in the course of liquidation. Fifty-six were incorporated outside the Colony but carry on business within the Colony. Three further companies ceased to do business during the year.

Seventeen companies were removed from the register by reason of the cessation of their business. No company was transferred from the Hong Kong to the Shanghai Register. Five companies were transferred from the Shanghai to the Hong Kong Register.

THE LOWER COURTS.

The lower civil courts are the land courts in the Northern and Southern districts of the New Territories, with jurisdiction over land cases in those districts, and the small debts courts of the same two districts. In these courts the District Officers sit to hear land and small debts cases.

The lower criminal courts are the magistrates' courts, two for Hong Kong island and a small area on the mainland opposite Shaukiwan, two for Kowloon, including the whole area south of the Kowloon hills, and one each for the two districts of the New Territories, in which the District Officers are the magistrates. A third court was in operation from the 20th of September to the end of the year at the Hong Kong Magistracy and from the 26th of September to the 10th of November at the Kowloon Magistracy.

The following figures show the amount of work done by the lower courts in 1938:—

Civil:—

District Officer North, Land Court ...	127	cases.
Small Debts Court	125	,,
District Officer South, Land Court ...	[illegible]	,,
Small Debts Court	47	,,

Criminal:

Hong Kong Magistracy, three courts...	38,612	cases.
Kowloon Magistracy, three courts	34,181	,,
District Officer, North, one court ...	1,418	,,
District Officer, South, one court	667	,,

The figures below show the penalties awarded at the Hong Kong and Kowloon Magistracies in respect of certain cases in 1938:—

	Hong Kong.	Kowloon.	Total.
Prosecution (against Adults and Juveniles)	38,571	34,181	72,752
Convictions (against Adults and Juveniles)	35,363	32,237	67,600
Adult Offenders.			
Fined	25,735	21,447	47,182
Imprisoned in default of payment of fine	4,306	5,011	9,317

	Hong Kong.	Kowloon	Total.
Imprisoned without option of fine	3,297	2,589	5,886
Bound over	896	1,710	2,606
Placed under Police Supervision	45	73	118
Cautioned or discharged	5,063	2,825	7,888
Defendants fined and allowed time to pay fine	257	710	967
Juvenile Offenders.			
Fined	612	932	1,544
Sent to Remand Home	125	167	292
Committed to approved institution	8	8	16
Bound over	87	226	313
Placed on probation	13	10	23
Cautioned or discharged	350	158	508
Whipped	132	58	190
Maintenance Cases.			
Order made	9	5	14
Order varied	1	1	2
Committals in default of payment	1	—	1

Police.

The Police Force of the Colony is under the control of the Commissioner of Police who is assisted by one Deputy Commissioner, thirteen Superintendents and two Police Cadets. The Force consists of four contingents, European, Indian, and two Chinese, namely, Cantonese and Weihaiwei. The strength of the different contingents is as follows:—

Europeans	257
Indians	818
Chinese (Cantonese)	767
Chinese (Weihaiwei)	293

In addition the Police Department controls the Anti-Piracy Guards, a force consisting of 39 Russians, 70 Indian Special Guards and 143 Weihaiwei Chinese Police, who are included in the regular Police establishment.

The department also supervises 687 Indian and Chinese Watchmen who are engaged by the Police Department and paid by private individuals for the protection of private property. In addition there are 488 Indian Private Watchmen registered at the Guards Offices.

The waters of the Colony are policed by a fleet of ten steam launches and five motor boats which employ a staff of 257 Chinese under European officers.

There were 11,388 cases of serious crime in 1938 as against 12,434 in 1937, a decrease of 1,046 or 8.4%. Amongst the classes of criminal offence showing decreases were the following:—a decrease of 13 cases in coinage offences, 177 in deportation, 16 in house and godown breaking, 3 in kidnapping, 830 in larceny, 3 in larceny on ships, 9 in manslaughter, 48 in obtaining by false pretences, 126 in receiving, 2 under the Protection of Women and Girls Ordinance and 11 in other serious offences.

Amongst the classes of criminal offence showing increases were the following:—an increase of 13 arms cases, 31 in serious assault, 2 in assault with intent to rob, 50 in burglary, 2 in embezzlement, 77 in larceny in dwelling, 5 in murder and 12 in robbery.

There were 49,555 minor cases in 1938 as against 43,288 in 1937, an increase of 6,267 or 14%.

Prisons.

In 1937 Victoria Gaol and Lai Chi Kok Prison for men were closed down and all male prisoners were transferred to the the new Hong Kong Prison at Stanley. At the beginning of 1938, therefore, there were only two prisons in the Colony:

The Hong Kong Prison at Stanley for men and the Lai Chi Kok Prison for women.

The Hong Kong Prison at Stanley has been built with single cellular accommodation throughout (except for Hospital Wards) and was designed to accommodate a total of 1,559 prisoners (exclusive of Hospital and Punishment Blocks). Accommodation for 23 European prisoners is included in this total.

On completion of the transfer of all male prisoners from Victoria Gaol and Lai Chi Kok Prison there were 2,215 prisoners in the Prison at Stanley; by November 1937 this number had reached the high figure of 2,757.

On the 1st of January, 1938, there were in the Prison 18 European, 8 Indian and 2,313 Chinese prisoners—a total of 2,339.

The highest number of male prisoners recorded in 1938 was 2,908 on the 23rd of December. On the 31st of December the number was 2,848.

Thus, from the outset, the Hong Kong Prison at Stanley was grossly overcrowded and it has remained so ever since.

The authorized establishment of Subordinate Staff for 1938 was:—

European Officers	65
Indian Officers	235
Chinese Staff	55
Male Staff	355
Female Officers	28
Total Subordinate Staff	383

The total number of persons committed to prison in the year 1938 was 15,046 as compared with 17,088 in 1937. The daily average number of prisoners in the prisons in 1938 was

2,556. The highest previous average was 2,493 in 1937. Over 85% of prisoners admitted are persons born outside the Colony. The percentage of convicted prisoners admitted to prison with previous convictions recorded against them was 24.3 as compared with 21.6 in 1937 and 15.9 in 1936. The percentage of male prisoners with previous convictions was 26.1.

No measures exist at present for the mental training of prisoners. Prisoners may, however, purchase books for their own use; they also have access to books, English and Chinese, from the prisoners' library.

Spiritual training is confined to visits paid on Sundays by officially appointed Chaplains and by approved preachers and laymen.

The confinement and training of young offenders is carried out in the Juvenile Remand Home in Hong Kong. The Home is administered by the Commissioner of Police. The establishment of an institution to be run somewhat on the lines of an English Borstal institution is under consideration.

No system of after-care is in operation. After-care would present peculiar difficulties in this Colony where a large number of prisoners who are not British subjects are banished to South China on release. Apart from this, with the present large influx of refugees, so much help is required for the poorer class of Chinese in Hong Kong that public support for the introduction of a system of after-care for released prisoners could hardly be expected at the present time.

The health of the prisoners generally was well maintained and the discipline in the prisons was good.

Prisoners are employed in printing, bookbinding, shoemaking tinsmithing, mat-making, tailoring, carpentering, weaving, gardening, laundry work, cleaning and minor repairs to buildings. The bulk of Government printing and bookbinding is done in Hong Kong Prison.

The total cost of each prisoner per annum (average) was $276.10.

The cost of feeding each prisoner per annum (average) was $92.68.

An estimate of the pecuniary value of an average prisoner's work, calculated on the basis of the work performed which has a definite monetary value as apart from domestic prison tasks or other unproductive employment, was $123.36 per annum.

Remand Homes.

During the year 218 boys underwent sentences of detention for various crimes at the Remand Home for Juveniles (Boys), and 71 girls underwent detention at the Remand Home for Girls. These institutions are not under prison administration. The boys are given instruction in elementary reading and writing and in rattan work. The girls are given employment in housework, laundry, and making and mending clothes. There are recreation facilities at both Homes.

There are four Probation Officers, two males and two females, attached to the Homes.

CHAPTER XIV.

Legislation.

CHAPTER XIV.

Legislation.

Twenty-nine Ordinances were passed during the year 1938. These, and also the Regulations, Rules, By-Laws and other subordinate legislation enacted during 1938, are published in a separate volume by the Government Printers. The twenty-nine Ordinances comprised two appropriations, three replacement, twenty-one amendment Ordinances, and three Ordinances which were new to the Colony.

The Appropriation Ordinance, (No. 22), applied a sum not exceeding $29,327,294 to the public service for the year 1938, and Ordinance No. 7 appropriated a supplementary sum of $774,321.44 to defray the charges of the year 1937.

The three replacement Ordinances were:

(1) The Protection of Women and Girls Ordinance, 1938 (No. 5). This Ordinance, which replaced the Protection of Women and Girls Ordinance, 1897 (No. 4) and its amending Ordinances, re-enacted them after a close scrutiny and revision of every clause in the light of the recommendations in the Report of the Mui Tsai Commission and in the light of experience gained from the working of these Ordinances.

(2) The Sedition Ordinance, 1938 (No. 13). This Ordinance, which replaced the Seditious Publications Ordinance, 1914 (No. 6), is based upon a model Ordinance compiled by direction of the Secretary of State. It clarifies and brings up-to-date the law relating to sedition previously in force in the Colony as contained in the Seditious Publications Ordinance, 1914 (No. 6), regulations under the Emergency Regulations Ordinance, 1922, and the common law.

(3) The Waterworks Ordinance, 1938 (No. 20). This Ordinance replaced the Waterworks Ordinance, 1903 (No. 16) and the regulations made thereunder, and is more in accordance

with modern requirements than the 1903 Ordinance.

The twenty-one amending Ordinances covered a wide range of subjects, namely—Asiatic Emigration (No. 2), Empire Preference (Nos. 3 and 29), Vaccination (No. 4), Merchandise Marks (No. 8), Bankruptcy (No. 9), Dentistry (No. 10), Registration of Persons (Nos. 11 and 26), Sand (No. 12), Female Domestic Service (No. 15), Offences Against the Person (No. 16), Dangerous Drugs (No. 17), New Territories Regulation (No. 18), Stamp (No. 19), Rating (No. 21), Land Registration (No. 23), Pharmacy and Poisons (No. 24), Dollar Currency Notes (No. 25), Police Force and Peace Preservation (No. 27), Sedition (No. 28).

The Ordinances new to the Colony were:—

(1) Gasholders Examination (No. 1);
(2) Prevention of Eviction (No. 6);
(3) Prohibited Publications (No. 14).

Ordinance No. 1 made provision for the periodical examination of gasholders. Ordinance No. 6 restricted the rights of landlords to possession of dwelling-houses in certain cases. Ordinance No. 14 substituted new provisions for the provisions in the Seditious Publications Ordinance, No. 6 of 1914, dealing with the importation of seditious literature.

The subsidiary legislation covered a wide range of subjects including—

Adulterated Food and Drugs, Air Navigation, Asylums, Basel Evangelical Missionary Society Incorporation, Buildings, Companies, Dangerous Goods, Daughters of Charity of the Canossian Institute Incorporation, Dentistry, Emergency Regulations, Evidence, Female Domestic Service, Gasholders Examination, Jury, Lighting Control, Liquors, Marriage, Medical Registration, Merchant Shipping, Midwives, Naval Volunteer, New Territories Regulation, Nurses Registration, Nursing and Maternity Homes Registration, Pensions, Pharmacy and Poisons, Pleasure Ground and Bathing Places Regulations, Police Force, Post Office, Prisons, Protection of Women and Girls, Public Health (Food and Sanitation), Public Officers (Changes of Style), Public Reclamations Validation and Clauses, Quarantine and Prevention of Disease, Rating, Rating (Refunds), Rope Company's Tramway, Telecommunication, Trade Marks, Tramway, Vaccination, Volunteer.

Factory legislation in the Colony is limited to a single ordinance, The Factories and Workshops Ordinance, No. 18 of 1937, which came into operation on the 1st of January, 1938. There is no legislative provision for compensation for accidents nor for sickness and old age. The introduction of legislation dealing with workmen's compensation is at present under consideration.

CHAPTER XV.

Banking, Currency, Weights & Measures.

CHAPTER XV.

Banking, Currency, Weights & Measures.

The Colony is well served by banking institutions, including branches of English, American, French, Netherlands, Japanese and Chinese banks. Besides the fourteen banks which are members of the Clearing House, there are several Chinese Banks. Many native *Hongs* do some banking business. There are no banks which devote themselves especially to agricultural and co-operative banking. The Hong Kong and Shanghai Banking Corporation conducts, in addition to its normal banking activities, the business of the Hong Kong Savings Bank on usual savings bank principles. The credit and repute of the Colony's financial institutions are high and it is satisfactory to know that ample encouragement and support are available to finance any possible demand.

The currency of the Colony, which was formerly based on silver, underwent very important changes at the end of 1935. The unit of currency is the Hong Kong dollar, divided into 100 cents. Until 1935 its exchange value fluctuated with the price of silver; but since the passing of the Currency Ordinance on the 5th of December, 1935, the value of the dollar is controlled by an Exchange Fund, which has power to buy and sell foreign exchange, and has taken over the silver formerly held against their issues by the note-issuing banks, in return for certificates of indebtedness against which the Fund may hold bullion, foreign exchange or approved securities. At the 30th of June, 1938 (the latest date for which figures have been made public) the Fund had issued Certificates of Indebtedness to the value of $191,034,887, which is equivalent to £11,914,806 @ 1/2$\frac{31}{32}$d, the middle market rate on that day. The total assets of the Fund amounted to £13,012,872.

The legal tender currency of the Colony is now as follows:—

(*a*) Bank notes, the excess of which over the fiduciary issue of each bank is now backed by certificates, not by silver as formerly:—

at 31.12.38.

(*i*) Chartered Bank of India, Australia and China $24,852,657

(*ii*) Hong Kong & Shanghai Banking Corporation $210,197,678

(*iii*) Mercantile Bank of India $4,441,620

(*b*) Government $1 notes, of which $5,571,000 had been issued up to the end of 1938.

(*c*) 10 cent and 5 cent cupro-nickel coins, and 10 cent and 5 cent nickel coins with the security rim.

(*d*) 1 cent copper coins.

(*e*) .800 fine silver sub-coin (10 cent and 5 cent pieces, and a few 50 and 20 cent pieces), which has either remained in circulation in the Colony or filters back into it from the mainland of China, is still legal tender in the Colony. Sub-coin is legal tender only up to an amount of $2.00.

The currency situation remained stable during the year. The fluctuations in the exchange rate, controlled by the Exchange Fund, were small. The official rate quoted by the Hong Kong & Shanghai Banking Corporation for the sale of sterling varied between a maximum of $1/2\frac{7}{8}$ and a minimum of $1/2\frac{19}{32}$ on the 20th of March. For eight months of the year the quotation was at the maximum rate. The fall in exchange in the Spring was due to the temporary disturbance caused by the sharp decline in the value of the Shanghai dollar which commenced then. Market rates were, in general, somewhat higher than the official rates quoted above.

The weights and measures in use in the Colony are defined in the Schedule to Ordinance No. 2 of 1885. They consist of the standards in use in the United Kingdom and of the following Chinese Weights and Measures:—

1 fan (candareen) = 0.0133 ounces avoirdupois.
1 tsin (mace) = .133 ounces avoirdupois.
1 leung (tael) = 1.33 ounces avoirdupois.
1 kan (catty) = 1.33 pounds avoirdupois.
1 tam (picul) = 133.33 pounds avoirdupois.
1 chek (foot) = 14⅝ English inches divided into 10 tsun (inches) and each tsun into ten fan or tenths.

CHAPTER XVI.

Public Finance and Taxation.

CHAPTER XVI.

Public Finance and Taxation.

The following tables show the Revenue and Expenditure for the five years 1934 to 1938 inclusive.

	Revenue.	Expenditure.	Surplus.	Deficit.
1934	$29,574,286	$31,149,156	—	$1,574,870
1935	28,430,550	28,291,636	$ 138,914	—
1936	30,042,984	29,513,520	529,464	—
1937	33,196,368	32,111,222	1,085,146	—
1938	36,735,854	37,175,897	—	440,043

The estimates for 1938 provided for a deficit of $3,124,629, revenue being put at $30,254,920 and expenditure at $33,379,549. No new or increased taxes were imposed during the year. The increase in revenue was due to the diversion of a large proportion of China's trade to ports trading through Hong Kong, which continued through the greater part of 1938, and to the general increase of the Colony's population owing to an influx of refugees which reached its maximum in the latter months of the year. The effect of this increase in population is most clearly seen in the receipts from rates and from import, betting and entertainment duties.

The situation in China and its direct or indirect repercussions on the Colony, particularly as regards emergency relief and two epidemics of disease, were responsible for the large proportion of the increase in expenditure. A new system of accounting, directed by the Secretary of State, and a revision of the method of payment of the Military Contribution also had the effect of weighting the 1938 expenditure in a manner which had not been foreseen when the estimates were prepared, though future liabilities were thereby reduced.

The Public Debt of the Colony at the 31st of December, 1938, was $16,598,000, consisting of two issues: the 4% Conversion Loan of $4,838,000, raised in 1933, the sinking fund of which amounted, on the 31st of December, 1938, to £66,937. 7. 4; and the 3½% Dollar Loan raised in July, 1934. This latter loan is redeemable by drawings at par in each of the twenty-five years commencing in 1935 at the annual rate of one twenty-fifth of such issue. The amount outstanding at the 31st of December, 1938, was thus reduced to $11,760,000.

The Assets and Liabilities of the Colony on the 31st of December, 1938, are shewn in the following statement:—

LIABILITIES.	$ c.	ASSETS.	$ c.
Deposits :—		Advances :— Miscellaneous	53,443.81
Contractors and Officers Deposits...$ 519,585.00		Pending Re-imbursements from 3½% dollar loan	10,926,056.46
		Pending Re-imbursements from proposed new loan	1,077,333.06
Insurance Companies 1,678,641.62		Imprest Account	10,420.17
		Subsidiary Coin	90,625.00
		Suspense Account	26,438.25
Miscellaneous Deposits... 1,486,256.87	3,684,483.49	Note Issue Account :— Current Account.. $1,480,119.62 Fixed Deposit... 4,000,000.00	5,480,119.62
Government House and City Development Fund	839,704.12	Nickel Coinage Account :—	
King George V Memorial Fund	158,368.56	Current Account....$ 206,860.45	
Exchange Adjustment ...	26,092.39	Sterling Investment Account.... 1,286,208.61	1,493,069.05
Praya East Reclamation ..	74,089.39	Cash :— Accountant-General	422,048.64
Note Security Fund	5,480,119.62	Crown Agents	18,827.76
		*Joint Colonial Fund ...	2,871,932.78
Nickel Coinage Security Fund	1,493,069.06	Fixed Deposits :— General.... $1,050,000.00	
Total Liabilities ...	11,755,926.63	Insurance Companies 1,678,641.62	
General Revenue Balance.	13,562,234.97	Miscellaneous....... 119,205.37	2,847,846.99
Total ....$	25,318,161.60	Total ....$	25,318,161.60

*Joint Colonial Fund £178,000. 0*s*. 0*d*.

The main heads of taxation enforced in the Colony, with the yield of each for 1938, are as follows:—

(*a*) Duties on Liquor, Tobacco, Motor Spirit and Perfumed Spirit	($9,105,121.72)
(*b*) Port and Harbour Dues	(532,539.63)
(*c*) Rates (Assessed Taxes)	(5,997,110.00)
(*d*) Estate Duty	(1,220,854.17)
(*e*) Stamp Duties	(2,324,948.76)
(*f*) Entertainment Tax	(320,027.86)
(*g*) Betting Tax	(238,274.89)
(*h*) Miscellaneous Licences	(2,451,313.97)

Considerable revenue is, however, derived from sources not strictly classifiable as taxation, *i.e.*

Excess Water Supply	($2,315,668.20)
Post Office	(2,918,028.82)
Kowloon-Canton Railway	(1,782,287.74)
Land Sales	(1,199,510.47)

The largest item of revenue is derived from the assessment tax (Rates). The sum collected during 1938 represents 16.32% of the total revenue. There is a general rate of 15% plus a water rate of 2% on assessed rateable value. Properties in outlying districts which have unfiltered water pay a water rate of 1%, and this rate is remitted altogether if no water is available.

There is no general customs tariff in Hong Kong, import duties being confined to liquor, tobacco, motor spirit and perfumed spirit. There is no export tariff. The sale of opium is a Government Monopoly, and all importation of opium other than by Government is prohibited. The importation of dangerous drugs is regulated in accordance with the terms of the Geneva Convention. Arms, ammunition, explosives and dangerous goods are subject to the normal Harbour and Police Regulations in regard to storage and movement. A special

Foreign Registration fee of 20% of the value of a motor vehicle is payable in respect of any vehicle not produced within the British Empire.

The duties on imported liquor range from $0.80 per gallon on beer to $1.50 on Chinese liquor and to $13 on sparkling European wines. A 50% reduction in duty is allowed in respect of brandy grown or produced within the British Empire.

The duties on tobacco range from $0.90 per lb. on the lowest taxed unmanufactured tobacco to $2.60 per lb. on cigars. A reduction in duty is allowed on tobacco of Empire origin and/or of Empire manufacture.

A duty of 30 cents per gallon is payable on all light oils imported into the Colony.

The only form of excise duty is the tax on locally manufactured liquor.

Stamp duties are imposed on various instruments and, where a consideration is involved, are mainly *ad valorem*. The following are examples of the duties charged:—Affidavits, Statutory Declarations, etc., $3; Bills of Exchange (inward) and Cheques, 10 cents; Bills of Lading, 15 cents when freight is under $5, 40 cents when freight is $5 or over; Bond to secure the payment or repayment of money, 20 cents for every $100 or part thereof; Conveyance on sale, $1 for every $100 or part thereof; Mortgages, principal security, 20 cents for every $100 or part thereof, Life Insurance Policy, 25 cents for every $1,000 insured; Receipts, 10 cents for amounts over $20; Transfer of Shares, 20 cents for every $100 of market value.

No Hut Tax or Poll Tax is imposed in the Colony.

CHAPTER XVII.

Miscellaneous.

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Miscellaneous.

Vice-Admiral Sir Percy Noble, K.C.B., assumed command of the China Station on the 5th of February, 1938. His flag was hoisted in H.M.S. "Cumberland" on that day. From the 24th to the 30th of January Air Chief Marshal Sir Edward Ellington, G.C.B., Marshal and Inspector-General of the Royal Air Force, paid a visit to the Colony as the guest of the Governor. His Excellency Dr. Tamagnini Barbosa, Governor of Macao, paid an official visit to the Governor on the 24th of March. General Wu Te-chen, Chairman of the Kwangtung Provincial Government, arrived in the Colony on the 30th of August on an unofficial visit to the Governor, and was present at a meeting of the Legislative Council on the 1st of September. The Governor paid an unofficial visit to Canton from the 21st to the 23rd of July.

On Friday, the 7th of January, the Governor officially re-opened the New Nethersole Hospital. The original Nethersole Hospital was founded in 1893 by private enterprise as an institution for women and children. The new building was built at a cost of $200,000 and, together with the adjoining Alice Memorial Hospital, now has accommodation for 100 patients of both sexes.

A Government-controlled Trade School for the training of craftsmen and technicians was opened by the Governor on the 12th of April. The school itself developed from a Junior Technical School which had been run successfully for several years. Full-time courses in wireless-telegraphy, engineering and building are now provided. The Building Contractors Association was largely responsible for this new accommodation for the school.

On the 30th of June the tenth anniversary of the Hong Kong Broadcasting Studio (ZBW) was celebrated.

A commission to enquire into the general increase in rents was appointed on the 9th of March. Its report was submitted to the Governor on the 2nd of April and was printed as Sessional Paper No. 5 of 1938. The Housing Commission, appointed by Sir William Peel on the 10th of May, 1935, concluded its enquiry on the 16th of March, 1938, and its report was printed as Sessional Paper No. 6 of 1938. A Refugee Camps Committee was appointed in September and a Committee to enquire into the broadening of the basis of taxation in the Colony in December.

New Emergency Regulations for Hong Kong were gazetted on the 12th of October.

An epidemic of small-pox occurred during the month of January. Free vaccination was made available at all Government clinics and with the coming of the warmer weather the epidemic gradually disappeared.

The Empire "All Up" air mail scheme was extended to the Colony by the arrival of two Imperial Airways aeroplanes on the 9th of September. The Air France service for passengers and mails was inaugurated on the 10th of August, and the Eurasia Aviation Corporation commenced a new service from Hong Kong to Kunming on the 13th of June.

Co-operation with the business firms with regard to Air Raid Precautions was commenced in June. A Ladies Air Raid Precautions Union was formed on the 3rd of June, with Lady Northcote as President. Air Raid Precautions drill for women was made available on the 18th of July.

Among the Honours conferred by His Majesty during the year were the following:—

New Year Honours.

C.B.E. — The Honourable Mr. T. N. Chau.

O.B.E. — Major M. A. Johnson.

King's Police Medal— The Honourable Mr. T. H. King.

Birthday Honours.

Kt. – The Honourable Mr. R. H. Kotewall, C.M.G., LL.D.

O.B.E. – Mr. J. H. Taggart.

O.B.E. — Dr. R. B. Jackson.

APPENDIX I.

List of Publications of General Interest Relating to Hong Kong.

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List of Publications of General Interest Relating to Hong Kong.

Title.	Price.	**Agents for Sale.**
Sessional Papers (Annual)	$2.00	Colonial Secretariat and Government Printers.
Blue Book (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents for the Colonies, London.
Ordinances-Ball's Revised Edition (In 6 Volumes) 1844-1923	90.00	Colonial Secretariat, Government Printers and Crown Agents for the Colonies, London.
Regulations of Hong Kong 1844-1925	30.00	Colonial Secretariat.
*Ordinances, Fraser's Revised Edition, 1844-1937	150.00	Government Printers and Crown Agents for the Colonies.
*Regulations of Hong Kong, 1844-1937	75.00	Colonial Secretariat and Crown Agents for the Colonies.
Ordinances and Regulations (Annual)	3.00	Colonial Secretariat, Government Printers and Crown Agents.
Administration Reports (Annual)	5.00	Colonial Secretariat.
Estimates (Annual)	3.00	Government Printers.
Government Gazettes (Weekly)	.50	Government Printers and Crown Agents.
Meteorological Bulletin (Monthly)	10.00 per annum	Government Printers.
Hong Kong Trade and Shipping Returns (Monthly)	2.00	Government Printers and Crown Agents.
Hong Kong Trade and Shipping Returns (Annual)	2.00	Government Printers and Crown Agents.
Hansards (Annual)	5.00	South China Morning Post, Hong Kong.
Historical & Statistical Abstract of the Colony of Hong Kong, 1841-1930	4.00	Colonial Secretariat.

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* First volume only available at the end of 1938.

Title.	Author's Name.	Price.	Agents for Sale.
Hong Kong	E. Thorbecke	$3.50	Kelly and Walsh, Ltd. and Brewers' Bookshop, Hong Kong.
Rambles in Hong Kong	G. S. P. Heywood	2.00	do.
Hong Kong Around and About	W. Peplow	4.00	do.
Hong Kong	G. R. Sayer	18/-	Kelly and Walsh, Ltd.
Hong Kong Riviera of the Orient	—	1.00	do.
Glimpses of Hong Kong	—	1.00	do.
Echoes of Hong Kong & Beyond	L. Forster	1.50	do.
Hong Kong Naturalist (published quarterly	Herklots & Heywood	4.00	do.
Under the Mosquito Curtain	Lady Southorn O.B.E.	3.50	do.
Hong Kong Dollar Directory	—	1.00	Brewers' Bookshop.
Naval, Military & Air Force Directory	—	.50	do.
Hong Kong Daily Press Directory	—	.50	do.
Picturesque Hong Kong	—	1.25	do.

APPENDIX II.

Effects of Sino-Japanese Hostilities.

APPENDIX II.

A note on the effect of the Sino-Japanese Hostilities on the Social and Economic Life of the Colony.

Two effects on Hong Kong of the hostilities in China stand out; the large increase in population due to the influx of refugees and the diversion to the Colony of Chinese trade normally conducted through other ports. The special problem of the destitute refugees is dealt with separately below.

General.

Trade passing through Hong Kong was increased abnormally by the diversion of some of the Yang-tse Valley trade to the Canton-Hankow Railway, linked at the end of 1937 with the Kowloon-Canton Railway; and by the large imports both by rail and by the new road of supplies for the Chinese Government. Early in the year Chinese Maritime Customs returns shewed the Colony to be handling about half the trade of China coming within their purview; the proportion fell later as Shanghai trade revived, but trade in Hong Kong continued brisk until October. With the fall of Canton and the closing of the Pearl River, there was, after October, a sharp fall in trade with South China and grave fears were felt for the Colony's economic future. Although the intense activity of the first nine months of the year was not maintained, business conditions generally were not unsatisfactory owing to an aggregation of various beneficial influences, among which may be mentioned the diversion of part of the Canton trade to indirect channels, the continued diversion to Hong Kong of other branches of China trade (e.g. the tea trade), the development of manufacturing under Imperial Preference and the continued transfer of minor industries from China, and the well-sustained demand of the local market owing to the increase of population. Many of the refugees, it is important to remember, were by no means destitute.

The increased population had many other effects. There was a rapid fall in the number of vacant tenements. By June, 1938, for practical purposes, all vacant properties had become occupied. A general increase in rents had set in shortly before, and, to protect existing tenants from exploitation, a Prevention of Eviction Ordinance was passed. A considerable demand was shewn for Crown Land for both new residential building and new factories. The general level of prices had risen since the commencement of the hostilities, but during the year under review there was a remarkable absence of severe fluctuation. Fresh vegetables and firewood became scarce after the fall of Canton, but the initial rise in price of these commodities was not maintained.

The yield of most forms of taxation was greatly increased, and the profits of public utility companies and other enterprises operating mainly in the Colony were enhanced by the growing population. The Kowloon-Canton Railway had a prosperous year and, even after the limitation of its activities to British territory after the fall of Canton, it maintained unusually high receipts from local traffic.

The general supply of labour was considerably in excess of demand throughout the year. Crime, particularly in the various forms of larceny, not unnaturally increased with the entry into the Colony of large numbers of destitutes. Hospitals were overcrowded throughout the year.

Tourist traffic shewed a slight falling off by comparison with previous years, but this was perhaps more than compensated for by the fact that Hong Kong became the main port of entry into China proper. Hotels and boarding houses were full throughout the year.

Considering that the Japanese operations in South China extended to the very frontier of the Colony it is remarkable that no incidents of a political nature occurred within the Colony during the year under review. Outside territorial waters, however, fishing junks were severely harassed, numerous cases of allegedly unwarranted attack being reported to the Government.

Relief Measures.

By the end of 1937 the Shanghai Refugees Committee had practically concluded its work. Most of the non-Chinese refugees from the North had returned to their homes, but the Colony was faced, during the ensuing year, with a much larger influx of Chinese from neighbouring territories consequent upon the Japanese invasion of South China. The various relief organizations in Hong Kong including the Tung Wah Hospitals Committee,—the oldest Chinese charitable institution in the Colony,—the Street Sleepers Shelter Society, the Society for the Protection of Children, the Little Sisters of the Poor, the Salvation Army, etc., did their utmost to cope with the great increase in destitution which resulted from the influx of refugees from the affected parts of China, but their combined resources were quite inadequate to meet the task and Government was obliged to step in and to take over the major part of the burden.

In the earlier part of 1938 the Tung Wah Hospital Authorities were entrusted with the care of homeless and friendless refugees. Several buildings were lent to this body for the purpose, including the former Government Civil Hospital, a portion of the former Victoria Gaol and a building which had served as the Kowloon Magistracy. By May some 2,648 of such refugees were receiving food and shelter in this way. Many thousands were repatriated through the good offices of the authorities in question, a total of over 30,000 being reached between July, 1937, and June, 1938. Needless to say, this number formed but a small proportion of those who sought asylum in these territories. Tens of thousands of refugees packed into the already crowded tenements and the average number of persons to each floor of the typical three-storied Chinese houses rose from an average of eighteen to sixty. Many could find no accommodation and slept in the streets. A census taken in June, 1938, by the Police Department estimated the number of street sleepers at 27,000. Sanitary conditions deteriorated as might be expected and a severe outbreak of cholera was superimposed on an even more severe epidemic of small-pox. To relieve these conditions Government decided to undertake a scheme for the housing o[illegible]me 5,000 persons in the urban area. Three camps were built, one on the Island at North Point, a second at Ma Tau Chung and a third at King's Park,—the last two being situated on the mainland. These camps were designed to hold about 5,000 persons and cost about $500,000 to build.

The administrative, medical and health duties of the camps were the responsibility of the Director of Medical Services and his staff, with the assistance of a Committee appointed by the Governor.

Welfare work, education and industrial activities in the camps were handed over to representatives of a voluntary organization—the Emergency Refugee Council—which came into being on the 11th of June, 1938, and which was. later, regarded by Government as the chief co-ordinating body for the refugee relief associations in Hong Kong.

Whilst the urban area camps were being constructed a new situation arose in the rural areas owing to the extension of hostilities to Kwangtung.

The landing of Japanese troops at Bias Bay on the 12th of October, followed by the taking of Canton, nine days later, intensified the refugee problem and many thousands poured across the frontier into the New Territories. A matshed camp was rapidly established at Pat Heung which eventually housed 5,000 refugees.

Later, as the result of a further extension of the Japanese activities on the Hong Kong-Kwangtung border, additional camps in the form of railway trucks were opened at Fanling close to the border. These provided accommodation for another 3,000 to 4,000 refugees.

A large number of refugees scattered to the villages in the New Territories, being prevented from entering the urban area by a particularly efficient policing system along a line drawn between Taipo and [illegible]tle Peak.

The sanitary [illegible]itions and lack of housing accommodation and water supply called for concerted action in December. The Emergency Refugee Council, the Wai Yeung Association, the Tung Wah Hospitals Committee and allied Chinese charitable bodies were approached and asked to assist in establishing camps in Chinese territory just across the border. At the same time St. John Ambulance Association was asked to furnish medical aid to the camps in Chinese territory. As the result of intensive propaganda in the New Territories, the bulk of the refugees were induced to return to their villages in Kwangtung. By the end of 1938 there were about four thousand refugees in Government camps in the New Territories apart from those in the towns and villages of the New Territories, and about three thousand in Government camps in the urban area.

In addition, there were in an internment camp rather over 1,100 Chinese soldiers out of an original total of about 1,300 healthy and wounded soldiers who had sought safety in these territories during the operations on the Hong Kong-Kwangtung border at the end of November.

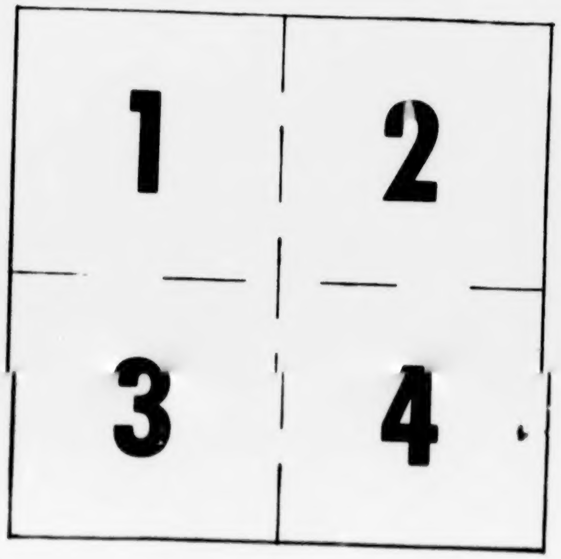
Some idea of the extent of the refugee problem can be gauged from the fact that 305,957 more persons arrived in the Colony by railway and by ocean and river steamer than departed. This figure does not include numbers arriving by sampan, junk, ferry, launch and on foot. It represents an addition of more than one third to the normal estimated population of the Colony. As might be expected, a proportion of the cases of cholera, small-pox and cerebro-spinal meningitis which had to be dealt with in the Colony were imported from Kwangtung and other infected parts of China.

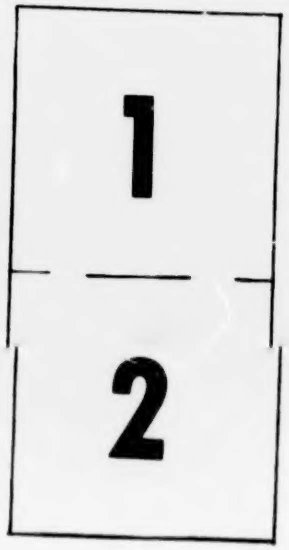
One of the more remarkable features of the situation in connexion with the refugee problem in Hong Kong in 1938 was the immediate response on the part [illegible]ll classes of the community to appeals for help for the re[illegible] So much was this the case that it was found necessary to warn organizations of the desirability of working through a single co-ordinating voluntary body.

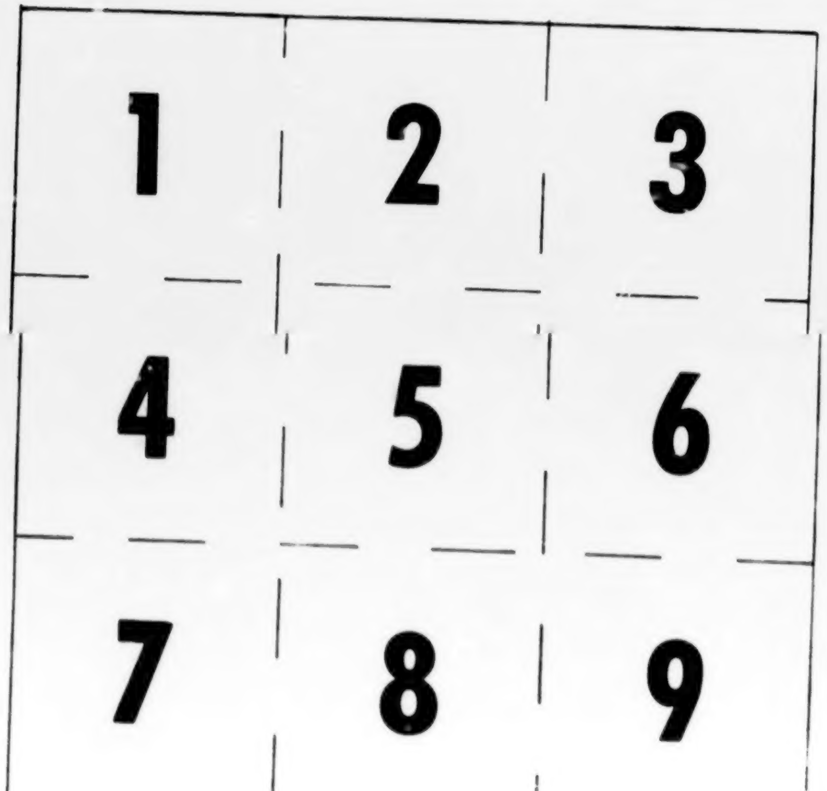
In order to stimulate further the generous response for help for the refugees, not only in the colony but in South China as a whole, in the autumn of 1938 a Hong Kong and South China Branch of a fund called the British Fund for the Relief of Distress in China was opened. Up to the 31st of December, 1938, the total contributions to this branch of the Fund amounted to $389,824.16. The Fund was organized with the idea of centralizing, as far as possible, all charitable efforts at obtaining donations for the relief of distress in South China, including Hong Kong. It did not itself undertake any actual relief work, this being entrusted to such existing relief bodies as were equipped for this purpose, and, in particular, to the Hong Kong Emergency Refugee Council.

On the 14th of December, 1938, a Chinese Sub-Committee of the Fund was appointed to canvass for further subscriptions from the Chinese community.

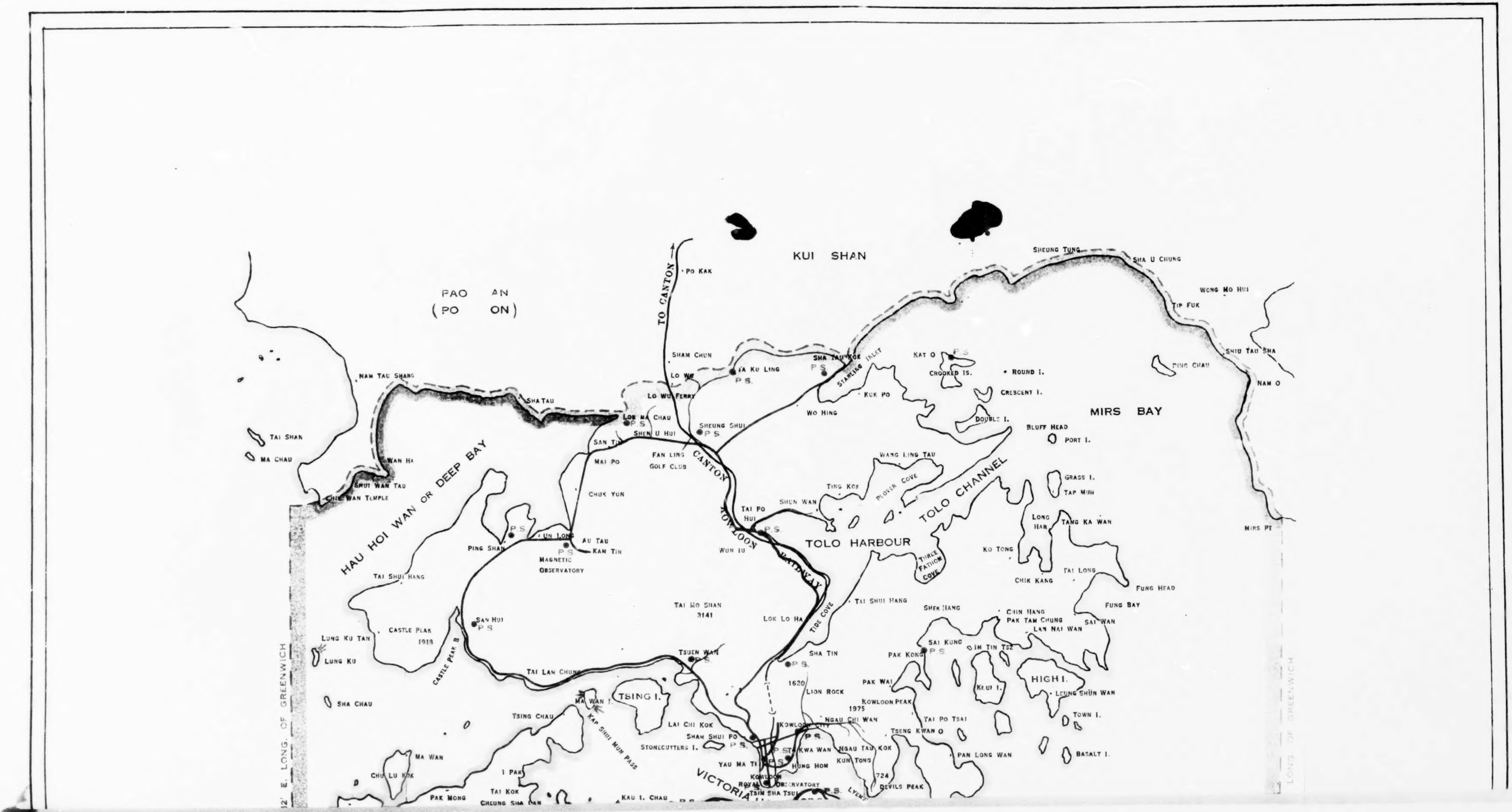
Maps on this order too large to be entirely included in one exposure are filmed clockwise beginning in the upper left hand corner, left to right and top to bottom as many frames as required. The following diagrams illustrate the method.







MAP OF HONG KONG AND NEW TERRITORIES.


KUI SHAN
PAO AN
(PO ON)
TO CANTON
PO KAK
SHEUNG TUNG
SHA U CHUNG
WONG MO HUI
TIP FUK
SHIU TAU SHA
NAM O
PING CHAU
MIRS BAY
KAT O
P.S.
CROOKED IS.
ROUND I.
CRESCENT I.
DOUBLE I.
BLUFF HEAD
PORT I.
SHA TAU KOK
STARLING INLET
KUK PO
WO HING
SHAM CHUN
LO WU
TA KU LING
LO WU FERRY
SHEUNG SHUI
LOK MA CHAU
SHEN U HUI
SAN TIN
FAN LING
GOLF CLUB
MAI PO
NAM TAU SHANG
SHA TAU
TAI SHAN
MA CHAU
WAN HA
SHUI WAN TAU
CHIK WAN TEMPLE
HAU HOI WAN OR DEEP BAY
CHUK YUN
PING SHAN
UN LONG
AU TAU
KAM TIN
MAGNETIC OBSERVATORY
TAI SHUI HANG
CASTLE PEAK
1918
CASTLE PEAK B
SAN HUI
LUNG KU TAN
LUNG KU
SHA CHAU
CANTON
KOWLOON
RAILWAY
TAI PO HUI
WUN IU
SHUN WAN
TING KOK
WANG LING TAU
PLOVER COVE
TOLO CHANNEL
TOLO HARBOUR
THREE FATHOM COVE
GRASS I.
TAP MUN
LONG HAR
TANG KA WAN
KO TONG
TAI LONG
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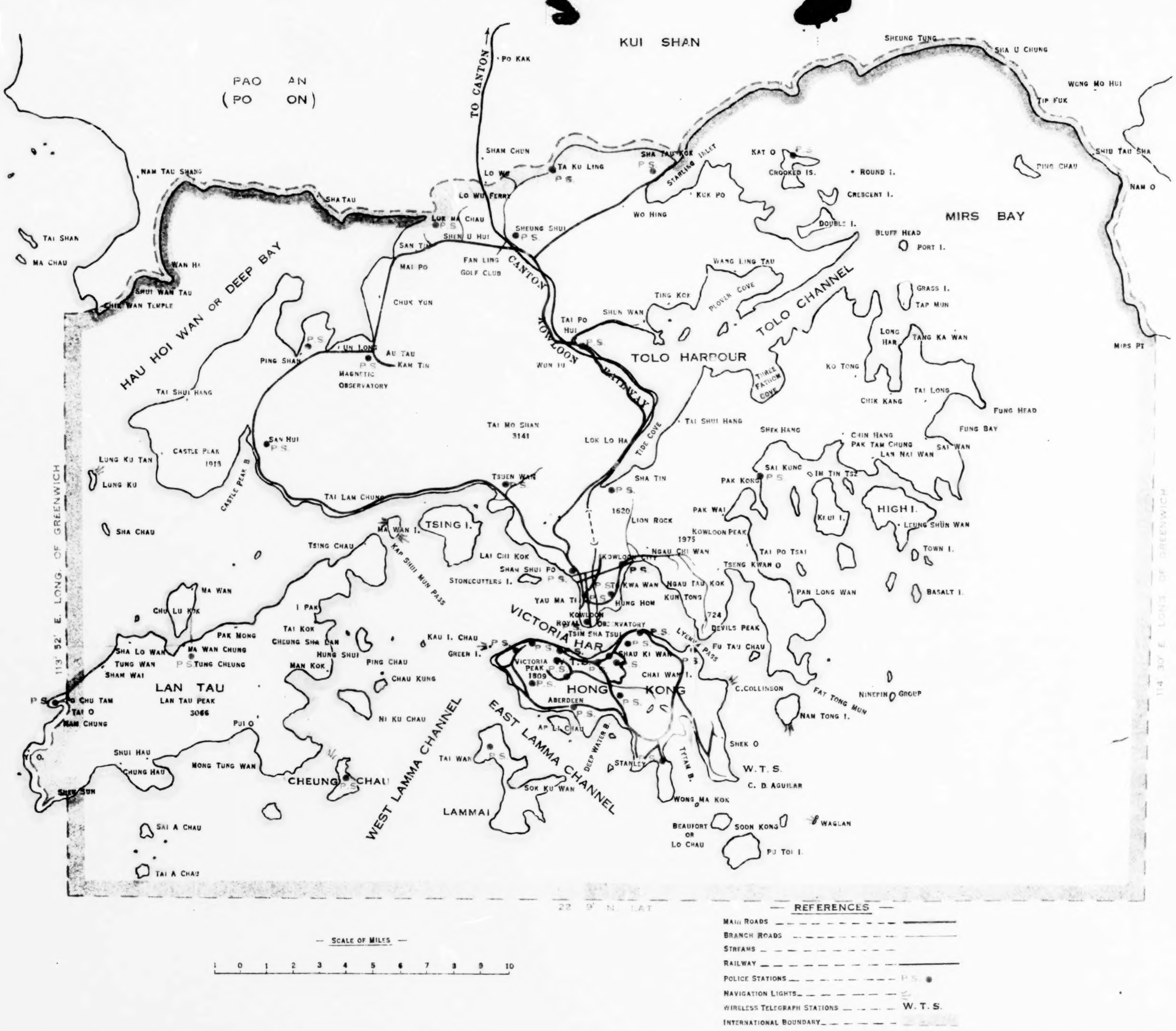
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CHIK WAN TEMPLE
HAU HOI WAN OR DEEP BAY
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HUNG SHUI
VICTORIA HAR
LYEMUN PASS
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SHA LO WAN
MA WAN CHUNG
TUNG WAN
TUNG CHEUNG
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PING CHAU
KAU I. CHAU
GREEN I.
VICTORIA PEAK
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SHAU KI WAN
CHAI WAN
HONG KONG
C. COLLINSON
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NINEPIN GROUP
NAM TONG I.
LAN TAU
LAN TAU PEAK
3066
CHU TAM
TAI O
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CHAU KUNG
NI KU CHAU
ABERDEEN
AP LI CHAU
DEEP WATER B
STANLEY
TYTAM B.
SHEK O
W. T. S.
C. D. AGUILAR
PUI O
SHUI HAU
CHUNG HAU
MONG TUNG WAN
CHEUNG CHAU
WEST LAMMA CHANNEL
EAST LAMMA CHANNEL
TAI WAN
LAMMA
SOK KU WAN
WONG MA KOK
SHEK SUN
SAI A CHAU
TAI A CHAU
BEAUFORT OR LO CHAU
SOON KONG
WAGLAN
PU TOI I.
P.S.
113° 52' E. LONG. OF GREENWICH
114° 30' E. LONG. OF GREENWICH
22° 9' N. LAT.
— SCALE OF MILES —
1 0 1 2 3 4 5 6 7 8 9 10
— REFERENCES —
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